Saturday Night

Canada's Magazine of Business and Contemporary Affairs

JANUARY 31ST 1959 20 CENTS

CANADA:

Merit Ratings for Teachers

by Ross Henderson

CUBA:

The First Middle-Class Revolution

by John D. Harbron

UNITED STATES:

Mr. Kennedy, Mr. Hoffa and Democracy

by Anthony West

Books • Records • Television • Business • Insurance

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January 31, 1959

Saturday Night

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INSIDE STORY

IN EUROPE **Boris Celovsky** is the well-known author of a controversial book on the Munich pact. In Canada he is an unknown civil servant. This paradox is explored by our Ottawa correspondent on Page 10 . . . Fidel Castro started off well in establishing his new regime in Cuba. But revolutionary vengeance has not been entirely prevented and Castro still has a cranky group of professional politicians to appease. **John Harbron,** who knew Castro when they were both students at the University of Havana, outlines his problem on Page 8 . . . **Anthony West** is glad that he did not receive his December 6th copy of SATURDAY NIGHT until after Christmas (some correspondents have long holidays). His views on Senator Kennedy's letter to him in that issue are not particularly suited, he admits, to the season of good will (Page 7) . . .

People with money to invest would do well to look at the newsprint industry according to our Gold and Dross department (Page 26), and investors generally will be glad to have some of the aspects of the soggy bond market explained by **R. M. Baiden,** our business editor, in an article on Page 16 . . .

The ugliness of Canadian cities and the growing reaction to it are both discussed with **Robertson Davies'** usual frankness and point in the book review section (Pages 21-23) . . .

Puzzle addicts will be pleased to hear that **J. A. H. Hunter,** who teases them every week, has been asked to start a special Saturday class in "enriched mathematics" for bright Toronto school children. Puzzlers are not invited unfortunately. They will still have to manage with the unenriched maths they learned some time ago if they are to solve the puzzle on Page 24 . . .

Another education topic, which promises to blow up into a full-scale row is merit rating of teachers. How the system works, and how it is beginning to get a foothold in Western Canada is shown in a despatch from Winnipeg by **Ross Henderson,** education editor of the *Winnipeg Tribune,* on Page 18.

Letters

Missing the Moon

Referring to your editorial "Missing the Moon", I offer this little verse:

ODE TO SATELLITE SCIENTISTS

Oh speed your rockets to the moon
And please do make a landing soon!
Or, dark may always be the night
Without moonlight!

For if the Russians land 'tis certain
They'll put up an iron curtain.
Poor lovers, what a sorry plight
Without moonlight!

KINGSTON GERTRUDE REYNOLDS

"Like I said . . ."

Mr. Hobbs, who deplores the misuse of the language of our revered Shakespeare will no doubt squirm once more when he reads your article on The Executive. I hate to think of the gyrations performed by B. K. S. in his grave, should his aura be conscious of this "grandiose enormity".

"In his opinion the contemporary fondness for conferences . . . *was because* it gave men without ideas a chance to steal them from those who had."

Wow!

WESTMOUNT MARGUERITE CUNCLIFFE

Placing myself among the "old fogies" mentioned in W. H. Hobbs' letter, may I add to his "Like I said" (my) "I'll go along with that."

What makes me feel disgruntled is the use — or misuse — of the word "that" in so many sentences. "It's *that* annoying!"

MONTREAL W. G. STANLEY

O Canada!

Fergus Cronin has added more confusion to the woe of *O Canada.*

Evidently your correspondent had not consulted the records in the archives before writing his article. In 1928, the Authors Association sent out a call for English words and later Sir Arthur Doughty photographed the documents of which I hold the originals. These documents have also been put on record, in the Secretary of State's Office while the Hon. Ellen Fairclough held that office.

I can see no reason for Mr. Cronin's suggestion that all Canada should adopt the French version and now that we have entered into a new era why not use *Land Fair and Free* and give the Immortal Mozart the monument suggested by the late Justice Weir.

The chorus takes the woe out of *O Canada.*

Land fair and free
God grant that we,
Ever, may hold the faith in Unity
Ever, may hold the faith in Unity.

VICTORIA A. CAROLYN BAYFIELD

Abnormal Babies

What a great pity that N. J. Berrill was not born with two heads. Perhaps, then, he would have enough gray matter to realize how shallow his powers of reason.

COLD LAKE, ALTA. E. J. KIRBY

Louder Voice

I would like to congratulate you on your recent article "Christmas Is Not Just Christian". I find that your magazine always seems to be the almost only one with an enlightened and original angle on things. Please do keep it up and become a little bigger so that your voice is heard more loudly.

BAIE D'URFEE, QUE. ELLA SPANJER

Scholarship of the Press

The Scholarship of the Press?
ipse dixits ! ! !
Surely "ipse dixi."

VERNON, B.C. C. W. W. LE FIORTE

May I protest against the back of Max Cohen's hand which he rubbed so unkindly into the noses of Canadian reporters in his article on Scholarship and the Press. I suggest that the scholarship shown over the years by Canadian reporters will compare favorably with that of any coterie of intellectuals Mr. Cohen can assemble.

To wit: The superb reportage of Grant Dexter of the Munich crisis and his incomparable coverage of Ottawa for over 20 years; the earnest and studious search for the truth by Ken Wilson and the fine and penetrating writing of his successor, Mike Barkway; Carl Reinke's outstanding day to day coverage of the Rowell-Sirois Commission; Sam Ross's work on the Turgeon Grain Commission; Chester Bloom's interpretation of the Banking and Commerce Committee of sainted memory; the quiet and sustained scholarship in the Ottawa press gallery of Burt Richardson, Wilf Eggleston, Joe Fisher, John Marshall and the rest; J. B. McGeachy's interpretive coverage of everything from Social Credit to royal commissions. These are but random examples for the list could be expanded almost indefinitely. Nor are today's practitioners any less able, less curious, less scholarly in the best sense of the word.

I suspect, Mr. Cohen's rather myopic preoccupation with foreign journalism and its practitioners has led him to confuse scholarship with pedantry.

CALGARY JAMES H. GRAY

Ambassador to Peking

As a subscriber of your magazine, I am increasingly becoming disturbed by editorials such as you published entitled "An Ambassador to Peking". Also, I am disturbed by editorials in other Canadian periodicals and newspapers, e.g. *Maclean's, Globe & Mail,* etc., in a similar vein.

I, for one, support the American strategy of opposition to Communist imperialism, although not always approving the tactics of Mr. Dulles in support of that policy. After all, I think we Canadians should realize that American policy today, in foreign relations with Communist powers, is a direct result of their naive mistakes committed at the Yalta and Potsdam conferences and their unhappy experiences in the Korean war. The Americans have learned something at least, from these frustrating events, which is, not to depend or trust in Communist guarantees of goodwill and peace.

Remember that Canada played a small, if not non-existent role, in these past events, with the exception of the Korean war. So don't you think we Canadians should study American foreign policy with more consideration and thought and try to moderate it where we think advisable, instead of assuming a completely negative, unintelligent carping attitude which is the opposite from co-operation resulting from intelligent criticism? . . .

LONDON RICHARD M. MURPHY

Crowe Case Facts

Dr. Lockhart is not the first Churchman to run up against the Press's cruel power to defame. His great mistake was to trust that the facts would come out and fair play prevail. The facts that have *not* come out are:

1. Who sent Dr. Lockhart the opened letter? "Editorials" please note he did not "violate the privacy of the mails" (SN Dec. 20) in reading an already opened letter enclosed in a letter addressed to him.

2. Just what did this letter say? If Dr. Crowe is so sure that he was disciplined because of its contents, why doesn't he release them? Isn't it because he knows he was guilty of personal malice, all too evident in the letter?

Dr. Crowe counts pretty heavily on Dr. Lockhart's Christian charity in not revealing some of the pettiness behind Dr. Crowe's grievance. I am not an advocate of church colleges, but if I were hired by one, I'd be ashamed so to violate its principles. And if I were an editorial writer of special reports, I'd hold off till I got both sides.

TORONTO — M. VANDERPLOEG

That Crowe Letter

Your correspondent, J. H. Moore, appears, like Principal Lockhart himself, to be curiously blind to the real significance of the term "violation of the privilege of the mails". It is true that Principal Lockhart in no way violated this privilege by opening a letter addressed to himself. His particular infringement was in making public use of the enclosed private letter which belonged originally to someone else.

CALGARY — WINNIFRED WALTERS

Old Tie

Sure, let's abandon the idea of a national anthem and a national flag. And while we're at it we might strengthen the tie with the mother-country by re-introducing hereditary titles. There's no tie like an umbilical cord.

MONTREAL — O. S. TURNER

Capital Punishment

Here are several convincing reasons for abolishing capital punishment.

First: On juries in murder trials there are generally several men and women who object to taking life, object to capital punishment, consequently they vote for acquittal or to reduce the charge to manslaughter. The murderer goes free or is sentenced to a few years in prison. This could not happen if there was no capital punishment. Make the sentence *full* life imprisonment at hard labor, then the juries would be free to convict murderers.

The late Warden Lawes of the Sing-Sing penitentiary who had talked to many many condemned murderers, said that what they feared most was life imprisonment; he also said that capital punishment was not a deterrent to murder. Unfortunately the term "life imprisonment" in North America is a joke.

Second: Many countries and states which have abolished capital punishment in favor of life imprisonment, have fewer murders, not more.

Third: Re moral and religious reasons; the teaching is "Thou Shalt Not Kill". It does not say — except Canada, or the state of New York, or others which carry on legalized murder.

OTTAWA — H. M. DAVY

In a recent article in your publication, a writer refers to the numerous types of offenses punishable by death in Biblical law. This reference to Biblical law has frequently given the impression that the law of the ancient Hebrews was a stern and vindictive code.

In actual fact, by the time of the Second Hebrew Commonwealth, i.e., the period of Jesus, capital punishment, though never abrogated, became exceedingly rare and the methods of carrying it out were so regulated by the rabbis as to inflict the least possible suffering. It is significant that in Israel today, the parties taking the lead in demanding the total abolition of capital punishment are not the modernist "liberal" parties like the Socialists, but the Mizrachi and Agudah parties — respectively traditionalist and ultra-traditionalist groups.

TORONTO — L. M. AARONS

Visiting Statesman

In reading your article "Commonwealth Image of Diefenbaker" I was struck by the way editorial tributes, where visiting statesmen are concerned, follow the greeting-card convention; i.e., heartwarming sentiment describing nobody in particular and directed at a general Image.

Most of the enconiums were of this order and though one writer did fall out of line ("Mr. Diefenbaker runs the risk of being labelled a dealer in pious platitudes") he quickly got back into step. ("A man to be reckoned with.") As it happens, Mr. Diefenbaker's both.

WINNIPEG — JAMES G. TRYON

Plume de Ma Tante

It is gratifying to learn about the new simultaneous-translation system that is being inaugurated at Ottawa, but it is to be hoped that our leaders won't abandon, or worse still, improve their French as a result of the innovation.

It takes one right back to high-school days, Grade XII, to watch Mr. Pearson and Mr. Diefenbaker struggling with the French idiom and accent on television. Let's hope they don't master it to the point where Ontario voters won't know what they are talking about.

HAMILTON — OSCAR PETERS

Screen Violence

I note that your correspondent Elaine Johnson is skeptical about the theory that Westerns help a child to get rid of hostile feelings, and is thinking of banning Westerns completely from the living-room screen. She may be interested in the solution arrived at by a father of my acquaintance.

Having sat, under protest, through three Westerns after a hard day at the office, he went over and kicked the daylights out of the TV set. This simultaneously banned the program and helped him to get rid of a lot of hostile feelings.

VANCOUVER — RORY S. TOLPE

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Comment of the Day

Cut the Opening

DOES THE OPENING of the Canadian Parliament need all the folderol that now goes with it? Does the Governor-General really need to drive through the icy streets of Ottawa in such a pretentiously obsolete vehicle as a "closed landau"? And does Black Rod *have* to tramp down all those long corridors to bring the Commons jostling into the Senate to hear a speech written by one of the Commons' own members?

Perhaps if you are an MP and a part of all these ceremonies they may mean a great deal. And it is not our intention to suggest the abolition of the few shreds of tradition we have in this country. But we do suggest that the CBC cut its picture coverage of the opening even more than it has now. A year ago there was justification for doing the thing at full length since people watched it to see the Queen, not Parliament. But the sum total of the present coverage is to suggest to viewers that Parliament is a quaint institution.

Parliament is, in fact, a vigorous, vital and essential part of our democratic system. If it appears quaint and archaic to people across the country—particularly those people who have no Anglo-Saxon background — then this vitality will be sapped.

The opening of Parliament should be a domestic Ottawa affair. It should not be a kind of sham spectacle to bore a Dominion-wide audience.

"Oh, February"?

PROFESSOR BRUNO MORAWETZ, who has just resigned from his post as a teacher of philosophy at Trinity College, Toronto, believes that it is time we did away with the old concept of geographical countries, and split the world into just twelve nations—one for each month of the year. Under his system, people would not be citizens of the land of their birth; they would belong to the nation corresponding to their month of birth.

Professor Morawetz believes his new system (he calls it temporalism) would destroy the barriers of color, religion, politics and language. "We need something like this", he says, "as a counter to Marxism".

That may be so, but we suspect any attempt to make the professor's system work would also destroy whatever sanity man may have left in this world, and would create a hundred new problems for every one it attempted to solve.

In less time than it takes to return a gift to the exchange counter, the Decembrians would be claiming Christmas as a national holiday reserved exclusively for themselves, the Augustans the sole right to summer holidays, and the Mayans special prerogatives because, after all, would they not be nominal descendants of one of the world's oldest civilizations?

And, worst of all, this renaming of nations would give rise to a whole new crop of bad jokes about Marchians having landed.

We shudder at the prospect.

South-Eastward Ho!

THE INTEREST shown by the Diefenbaker government in increasing our trade with the West Indies is receiving a large measure of well-deserved support from the 40-member Canadian trade mission currently touring the islands of this Commonwealth neighbor.

Although the government has made aid available in the tangible form of dollars and vessels for inter-island commerce, it is only by increased action on the part of Canadian businessmen demonstrating a personal willingness to step up the pace of trade between themselves and the islands that gains already made will be consolidated.

The present mission, headed by A. C. Ashforth, and sponsored by the Canadian Chamber of Commerce, is a big step forward in strengthening our relations with business interests in Jamaica, Trinidad, British Guiana and Barbados. It is the personal touch which may make all the difference.

By Definition

"GUIDANCE SERVICES should assist individuals in their adjustment by providing appropriate learning experiences directed towards understanding and acceptance of their predetermining tendencies plus the opportunities for utilizing their capacities to the extent and in the direction which will ultimately provide realistic satisfactions for them." (*The School Guidance Worker*).

Next question?

Final Word on United

WE WOULD PREFER to let the matter of Professor Harry Crowe and United College, Winnipeg, now rest. Professor Crowe has been reinstated, and although Principal Lockhart has tendered his resignation, the Board of Governors has declined to accept it. With goodwill there might be an effectual reconciliation which would let United College get on with its job of teaching the young people of Manitoba.

But we must answer briefly some of the letters which have poured into this office in the past two or three months, abusing us for the special report of November 22nd and pointing out what the correspondents claim to be errors in fact.

We would just like to mention these points:

(1) Our article was written before the CAUT report was published and before Principal Lockhart's public statement was made.

(2) We did our best to discover what was going on and even if there were minor errors of fact, the general impression that there was a division in United College has now been abundantly proved.

(3) Principal Lockhart, having made the original mistake in judgment, has had that original error disastrously compounded by the busy-body actions of influential church people in Winnipeg. These actions have still not been revealed to the public, perhaps because Principal Lockhart is too Christian a man to talk about them.

(4) Professor Crowe was more intransigent than our report showed — a fact which has been established since and could not have been known from the information available to us before.

(5) The deep division at United College stems from its affiliation as a church college and the actions of some important lay figures in the church have been more reprehensible than either the actions of Principal Lockhart or Professor Crowe.

What we hope to be our last word on the Crowe case is this: An injustice was done to Professor Crowe through an error in judgment on the part of Principal Lockhart. Since then, violent prejudice on the part of other people on both sides has done a great deal of damage. Our predictions as to the catastrophic outcome of the case have been more than fulfilled.

Babies at Queen's Park

ONE COULD IMAGINE the government of Saskatchewan concerning itself with baby-sitting. A paternalistic attitude is expected of a socialist regime. But baby-sitting had not previously, we thought, been a part of the considerations of the staid and Tory government of Ontario. Yet it is from the Department of Public Welfare of Ontario we received a beautifully printed booklet entitled *A Guide for Baby-Sitters.*

The Royalist attitude of Queen's Park is denoted by the cover picture of Prince Charles and Princess Anne (we wonder who *their* baby-sitter is?) and in the middle of the pamphlet there is a spread which includes a picture of Mr. Frost taken some years ago, and one of Louis P. Cecile, the minister responsible.

In his message to baby-sitters, Mr. Cecile says that "baby-sitting today is an important part of our way of life and a valuable contribution to the welfare of the community. Conscious of this and of the high responsibility the baby-sitter undertakes, your government has prepared this booklet to assist all those in this very worth-while form of employment".

Other parts of the book are equally serious. In fact, Mr. Cecile states that "Baby-sitting must be looked on as a serious occupation, not merely as a way to earn a little money without much effort".

To prove his point, Mr. Cecile, or whoever his consultant on baby-sitting is, has produced over twenty pages of detailed instructions which include such gems as "If the phone rings, answer it" and "keep awake".

The book is explicit and well written. But is it in any sense the function of government to spend taxpayers' money on this kind of thing? Are all mothers who hire baby-sitters as deaf and dumb as Mr. Cecile seems to imply? Or is it that this is a pseudo-political pamphlet showing the Minister of Public Welfare as a person who not only kisses babies but can also change a diaper efficiently?

O Tempora, O Mores . . .

FOR THE FIRST THREE weeks of this month we saw a man come out of his house every morning, puff out his chest, take two or three deep, breaths, swing his walking stick (yes, a walking stick) and start off smartly down the road to his office. This we knew was about ten blocks away.

At the end of the third week, however, we thought he looked just a little less jaunty, and on Monday, January 26th, with the temperature well below zero, we saw him set out somewhat wearily. At 5.15 that evening, a cab drew up in the heavily drifting snow and our man got out somewhat sheepishly. He looked behind him furtively as he shuffled up to his front door.

His backward glance was as much perhaps in regret at his fall from virtue as it was to see how many people had seen the early death of such a good New Year's resolution.

Good Advice

IT WAS SAM SLICK who first said it, but at the beginning of a parliamentary session it bears repeating: Whenever you make an impression on a man, stop. Your reasonin' and details may ruin you.

Case of the Coffee Pot

IF YOU HAVE EVER burned your fingers trying to pour yourself a cup of coffee in a railway dining car, you should be interested in the Association of Industrial Designers, whose tenth exhibition opened in Toronto last week. This association exists in order to eliminate such bad design practices as those which put a metal handle on a metal jug designed to hold hot coffee.

Railway diners are not, of course, the only place where such bad design practices are met with. Just try to buy a plain lamp shade or a small chandelier and see how far you get. Try, since we started with coffee, to buy a small one-cup tea pot which doesn't either flood over the top when you pour or drip when you finish.

It is sometimes staggering to realize that everything we use in the office or in the home began as an idea on somebody's drawing board. One wonders who had the ideas and how he got away with them. For how few good functional designs of everyday things do exist. Some are adequate, some are excellent (electric shavers, for example, generally are better designed than almost any other electrical appliance), but the general run of furniture, electrical fittings for the house, even motor cars, have serious limitations.

The Association of Industrial Designers constantly strives to abolish such limitations and takes the whole of industry for its field. In that its members are, like clergymen, against sin, it is a long and arduous road that faces them. We wish all power to their designing elbow. We have had our fingers burned too many times already.

Underneath the Archers

THE DEPARTMENT of Defence Production is muttering a new song:

We shot an Arrow in the sky
We all knew Howe, now none knows why.

Are you any nearer this year to making that all-important down-payment? Or were your last twelve months of hard work wasted — as far as your savings are concerned? Your savings are the only part of your income that can buy the deeds to your 'dream' house. So — start saving in earnest at the B of M from now on . . . and move closer with each pay-day to 'moving in' day!

"MY BANK" TO 2 MILLION CANADIANS
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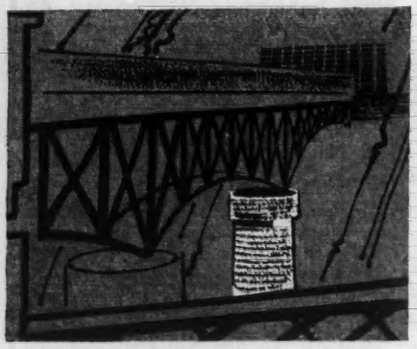
Creative engineering from **ARMCO**

A report from the Head Office in Guelph, on building bridges...saving lives...developing a product



How to Build a Bridge on Loose Rock

The Trans-Canada Highway Engineers had a problem. For thousands of years, the Kicking Horse River had been cutting its way through the rock, leaving steep, shifting banks over the loose, unstable river bed. Building a bridge here would be no picnic . . . but it had to be done.

Armco engineers had often exchanged ideas with the bridge builders on foundation problems. So, the two engineering groups got together. Once again, a practical, economical solution was found in Armco products.

First, build steel caissons on the job from Armco Liner Plate. Sink them in the shifting bedrock and fill with concrete for solid foundation piers. Next, shore up the steep banks with Armco Bin-type Retaining Wall for complete protection against slippage.

The Yoho Bridge project was completed on schedule.

It proved two things: the quality and superior adaptability of Armco Construction Products . . . and the ability of the Armco Engineers to go into the field and *create* a practical solution to an unusual problem.

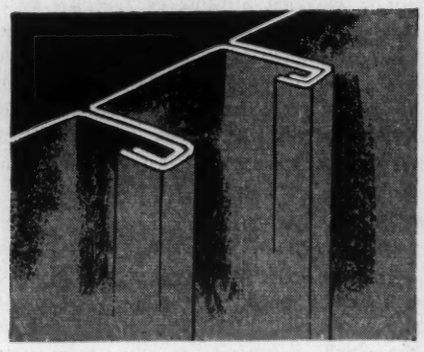
How to Cut Highway Fatalities 100%

The Soulanges Canal parallels the highway west of Montreal. It's a pleasant, peaceful drive . . . *nowadays!* Not so between 1924 and 1951. In those 24 years, 72 accidents were reported along this stretch of road . . . 39 ending in drowning of one or more persons.

The Highway Engineers needed something more than wood railings and wire to protect the motorists. They chose Armco FLEX-BEAM® Guardrail as the only product with the superior design qualities they needed. Since FLEX-BEAM Guardrail is *flexible*, it deflects out-of-control vehicles parallel to the rail . . . in other words . . . back on to the road. It does not "pocket" to cause bone-shattering, high impact stops. Deep corrugations reflect light from all angles for high visibility night or day . . . in rain or fog.

Here's the proof: in 1951, Armco FLEX-BEAM Guardrail was installed between the highway and the canal. Since that time . . . *there have been no accidents reported!*

FLEX-BEAM Guardrail did a better job . . . because it is a better product!



How to Design a Steel Building that Lasts

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Much of the success of the Armco Building System stems from the exclusive STEELOX® Panel. A sheet of 22-gauge steel has little beam or column strength, but formed into a STEELOX Panel, it becomes a column capable of carrying over 1000 pounds and a beam that can support several hundred. The secret is in the STEELOX Joint . . . the remarkable design feature that *interlocks* the panels for a weather-tight seal. Each pair of panels is assembled with only four bolts . . . no projecting bolt heads to mar the exterior surface and create corrosion pockets.

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A typical hearing of a Teamster boss before the U.S. Senate McClellan committee of which Robert Kennedy is counsel.

Mr. Kennedy, Mr. Hoffa and Democracy

by Anthony West

BY A CHAPTER OF ACCIDENTS, your New York correspondent failed to receive his copy of SATURDAY NIGHT for December 6th last, until New Year's day had come and gone. Perhaps this was just as well, since Robert Kennedy's letter on the subject of his veracity and competence was not a particularly Christmassy piece of writing and doesn't seem to call for an altogether Christmassy reply. It may have been all for the best that chance arranged for a truce until after the holiday was over. The magazine, incidentally, arrived along with a copy of the London *Times*, from which your correspondent learned that his mother had been made a Dame by Queen Elizabeth. It seemed to make it a great occasion for the family that he should learn about this on the day that he found that the Chief Counsel for the Senate's Select Committee on Improper Relations in the Labor or Management field had done his level best to give him a black eye.

Well! Well! It's all very much what might be expected of Mr. Kennedy. The sentence he had borrowed from an old Amos 'n Andy script was especially attractive. "The implications of his activities that we have exposed have equal ramifications for both of our countries". That's talking man! Another sentence with strong overtones of wish fulfilment a few lines above that one, also had a charm of its own: "If Mr. West was working for us and made a report on a situation similar to the one that I read in your magazine, as we are interested in facts, I would fire him, because of incompetency".

After noting that these two sentences, with all their evidences of the command of language and of the common sense of the writer, are the work of the Chief Counsel of a select committee of the United States Senate, the reader is invited to consider an important difference between Mr. Kennedy and your correspondent. While Mr. Kennedy devotes three and a quarter columns of this magazine to calling him a liar, an ignorant booby and an incompetent reporter, he cannot bring himself to quote one single complete sentence written by your correspondent. Mr. Kennedy writes as follows:

"Mr. West states that the gangsters and hoodlums are needed in the Teamsters Union in order to combat the anti-union employers". Does he? If so, why does not Mr. Kennedy quote this remarkable statement in Mr. West's words? Can it be because Mr. West never in fact, made any such statement? Mr. Kennedy implies that your correspondent wrote a defence of Mr. Hoffa, but while he fills the best part of a column with material designed to show that Mr. Hoffa is indefensible, he unaccountably fails to quote a single sentence from the article of which he complains. The secret is, of

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Before his victory Castro's middle-class revolution won the sympathy and admiration of the free world.

Can Castro Keep Cuban Politics Clean?

by John D. Harbron

A FEW HOURS only after the New Year's Day flight of General Batista and final victory of Fidel Castro, it was clear that this young Cuban lawyer, long the symbol of a fresh, new democracy to most of his countrymen, had won the hearts and the support of millions in the Western world to whom Cuba was merely a far-off place name.

Never before in the perenially and seemingly unbreakable pattern of the rise and fall of democracies in Latin America, had the success of a revolutionary not only gained him such universal fame, but such universal support.

Today, when the bearded, youthful warriors with their 26th of July armbands and their strange new names from Cuba have become familiar on our TV screens, it still remains to be explained why Castro's victory won such instant admiration in the free world.

The simple answer, of course, is that the man-in-the-street can identify himself for the first time with the triumph of a genuine middle-class revolution in Latin America. Paradox though it is, to members of the American or European middle class who know very little indeed about Latin America and to Canadians who know even less, has come the swift understanding that after 135 years of dictatorship and revolt in Latin America, Cuba has produced the first clear-cut upheaval with a purpose from Hispanic America's rising middle class.

To Latin Americans who have always taken immorality and corruption in public life for granted, Castro's semi-

Messianic appeal for "a clean Cuba", made all the more convincing by his strict personal code, has come as a refreshing hope. To northerners in this hemisphere, the personal impact of this dedicated young Cuban on the Americas will perhaps never be fully understood, though his now untarnished program will soon be dirtied by some of his less idealistic, place-seeking compatriots. The summary execution of many of Batista's high ranking army chiefs, less than a week after the dictator's flight, was an early and ominous sign of this.

Castro's movement and his new, provisional government have not come from either the traditionally downtrodden, landless peasant society nor from the familiar, frustrated anti-government clique who fight only for a share of the spoils. Put simply, Castro, his warriors and his cabinet ministers, are primarily from the middle class of Cuba. And Cuba is a rich, prosperous island republic which today has the largest per capita middle class of all the 21 Latin American republics.

Ironically, General Batista's closing of Cuba's three state universities in 1956 gave initial strength to the middle class base of the Castro rebellion. By doing so, he presented to idle, restless and romantically inclined Cuban college students, many of them from the better residential suburbs of the country's largest cities, the chance to seek out Castro's legions and to fight for his cause in Cuba's remote, lush eastern mountains. From this base of young men, balanced off by the growing support of a steady stream of Cuban bankers, professors, economists, lawyers and civil servants, many of them working openly in Havana, the pace of Castro's revolution was early set in the long-established but sorely violated tenets of Cuban democracy.

Some bearded followers began to show very itchy trigger fingers.

Today, as some experts still marvel at the puritanical aspects of Castro's victory, (for example his pledge to destroy lucrative gambling casinos, his closing of the liquor stores, and, most unbelievable of all, his prevention of a major bloodbath in Havana after Batista's sudden departure), others look into the short history of his island homeland to assess why Cuba, and not one of the other Latin republics which have cast out dictators since 1954, created the Castro type of movement.

Cuban public life has always oscillated between the two major forces of political activity in the Americas, totalitarianism and a struggle for democracy, both of them

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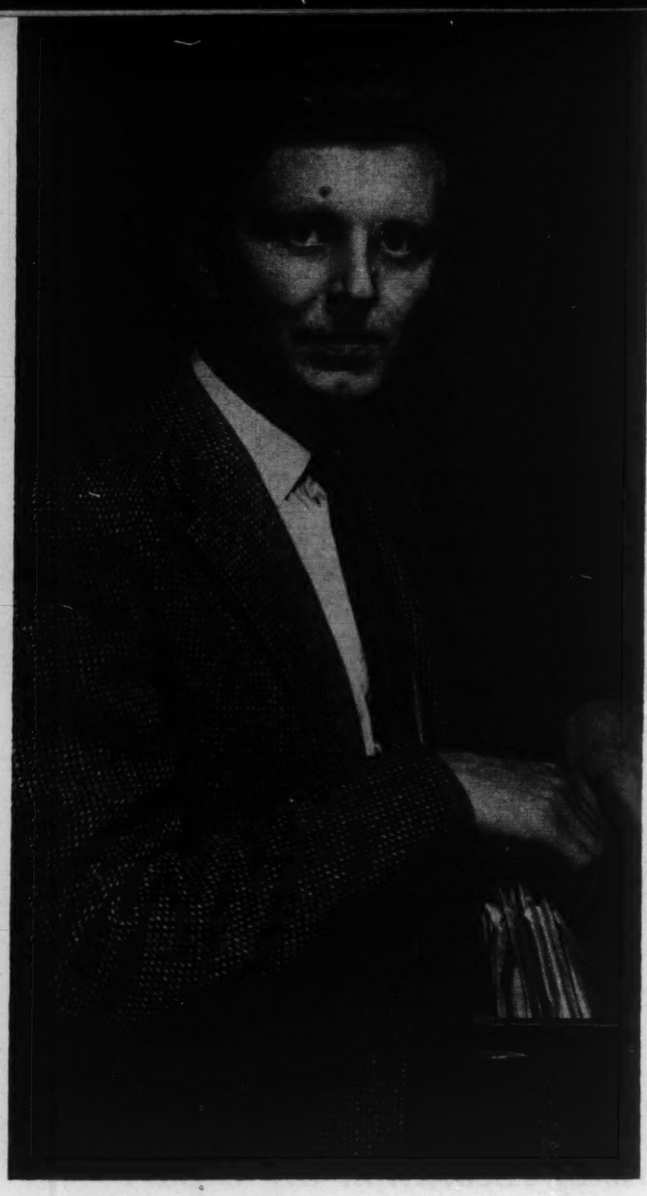
His greatest problem will be with the old-time professionals to whom the spoils of revolution are a part of life. They have already appeared on the Cuban scene.

Left, Batista supporters were soon rounded up and put behind bars. But ugly stories of mass executions in the provinces disturbed the early days. Above, a typical guerilla fighter fumigates his beard.



His work is reviewed, debated, praised and vilified alike in all scholarly circles abroad but not a word about Boris Celovsky is heard in Canada.

Unknown Prophet In a New Country

by Edwin Copps

CANADA'S BORIS CELOVSKY and the Soviet Union's famed Boris Pasternak have more similarities than their Christian name. Nobel Prizewinner Pasternak languishes on a bleak farm outside Moscow, rejected in his homeland, while the rest of the world applauds his novel, *Dr. Zhivagho.* Canadian Boris Celovsky is also a literary celebrity. His work is reviewed, debated, praised and vilified in scholarly journals, popular newspapers and public forums in Europe and the U.S. Yet in his own country, Canada, Celovsky is an obscure $4,900-a-year civil servant in Ottawa's Bureau of Statistics, with not a line of attention given to his literary achievements in the nation's press.

Celovsky's renown abroad rests on his monumental (512 pages) history *Das Munchener Abkommen von 1938* (The Munich Agreement of 1938), the most scholarly account yet published of this vital diplomatic event of modern times. Munich's leading newspaper called Celovsky's work "a masterly analysis". The respected London *Times Literary Supplement* said: "His readers will bless Dr. Celovsky."

New York's influential *Foreign Affairs* quarterly described his book as "a massive, scholarly and richly documented study." The European Communist press paid Historian Celovsky the compliment of branding him "a bourgeois hack". The violence of the Reds' attacks was exceeded only by extreme rightist element in West Germany; to them Celovsky was "a falsifier of history". Indeed, Celovsky's book created such a stir (42 of Germany's dailies took some stand on it) that the country's top newspaper *Frankfurter Allgemeine Zeitung* observed that "rarely has a voluminous scientific work set off such a furore in this country."

How did a Canadian civil servant, who spends his present days plodding through statistics in a barn-like Ottawa bureau, come to write a history whose revelations and judgments stir such controversy? Celovsky explains it simply: "I am a Czech, exiled in Canada, my new homeland. I experienced contemporary history and I wanted to find out—really find out—what had brought about this crazy world in which I was foundering."

For Boris Celovsky, who is now 35 and a Canadian citizen, the world went crazy when the Munich pact was signed in 1938. He was a high school boy in Oderberg when the Nazis marched in and destroyed his country a few months after the Munich appeasement. Celovsky spent most of World War II at forced labor in Germany, returning to Czechoslovakia afterward to begin a law course at Prague's Charles University. He had barely finished the law studies when the Communists overpowered the Czech Government and Celovsky was routed again, first to a Bavarian refugee camp, then to France.

In Paris, by working part-time as a servant, Celovsky put himself through one semester of international law at the Sorbonne. Later the French Government offered him a job as an anti-Communist broadcaster (in the Czech language) and Celovsky quit the classroom to work full-time as a propagandist.

It was while he was working for the French Government that Celovsky heard that Canadian universities, through the International Student Service, were offering grants to bring a number of refugee students to Canada. He applied for one of the scholarships and, largely because he was fluent in French, was given a grant for a year's study at the University of Montreal. He decided to major in Canadian history ("The least I could do was to learn the history of my new homeland") and in the one year he earned a master's degree in the subject and a job offer from the University as a part-time lecturer. The lecturer's pay was not enough to keep him going; Celovsky made a living wage by working as a janitor on the side. The janitor's job was satisfactory but the lecturing in the faculty of Slavonic studies left something to be desired. Says Celovsky: "It was a farce. The class was made up of East European students who were only interested in getting a fast and easy Canadian degree. Imagine Czechs coming to Canada to learn Czech!"

His year of studying history at Montreal had turned Celovsky's interest sharply toward that subject and sharply away from his first choice, the law. Says he: "I realized that applied law is not concerned with the truth, or even with what is right. It's just a means of using or getting along with rules that might be right or wrong. Communists and Nazis can still be good lawyers."

The jacket design of Celovsky's "The Munich Agreement of 1938", hailed as authoritative.

His heightened interest in history and his own deep involvement in the consequences of the Munich Pact gave Celovsky the idea of going back to Europe and earning his PhD with a thesis on the pact's history. Not too hopefully, he applied to the Canadian Social Science Research Council for a fellowship to Heidelberg University. "They must have been surprised," says Celovsky, "to have an applicant who didn't want to study in England or France." He got a $1,500 grant, married a fellow refugee student at Montreal, a Lithuanian girl, Angela Wegner, and they set off together for Germany, Celovsky to get his PhD in history and his bride aiming for her doctorate in psychology. The first year abroad, they lived on his $1,500. The second year, Mrs. Celovsky got a $1,500 grant and they lived on that.

Celovsky's research on the Munich Pact kept him busy sixteen hours a day, interviewing all available politicians and diplomats who had participated in the conference or the events leading to it, delving into libraries and state archives, reading every discoverable book, report or article on the subject. He wrote the first draft of his bulky thesis in longhand, retyped it three times before he was ready to submit it. Heidelberg accepted it promptly and gave him his doctorate. His wife also got her degree and the couple headed back to Canada, to Ottawa, with high hopes that their newly-acquired academic training would qualify them for challenging positions in their adopted country.

It turned out to be far more difficult than expected. The only post Mrs. Celovsky could find was as a staff psychologist in a hospital at Smiths Falls, Ont., 50 miles from Ottawa. (She has since joined the staff of Ottawa's General Hospital, also is an assistant professor of psychology at the University of Ottawa). Celovsky, after trying vainly for a Civil Service appointment, wound up as a waiter in a Hull night club. Later, he heard about the project to publish the Encyclopedia Canadiana and he switched from bar-tending to a more congenial job doing research for that. His work on the encyclopedia, added to the cramming of Canadian history for his University of Montreal master's degree, gave Celovsky an academic knowledge of Canada that few native sons could match.

Back in Europe all this time, Celovsky's thesis on Munich was getting more attention than he realized. Several Heidelberg professors read the manuscript and enthusiastically passed it around to colleagues in Germany and in the U.S. All agreed that it was far too important to be filed and forgotten in the Heidelberg archives. Negotiations were begun and, to Celovsky's complete surprise ("I thought I had got Munich out of my system") he got offers of grants from two historical institutes to expand his thesis for publication as a book. Celovsky accepted the bid by the Munich Institute for Contemporary History, an institution financed by the West German government to write the true history of the Nazi period and to reestablish the badly-shattered traditions of great German historical writing.

Celovsky worked by day at his regular research job on the Canadian encyclopedia and by night readying his book for the publishers. The Munich Institute's generous

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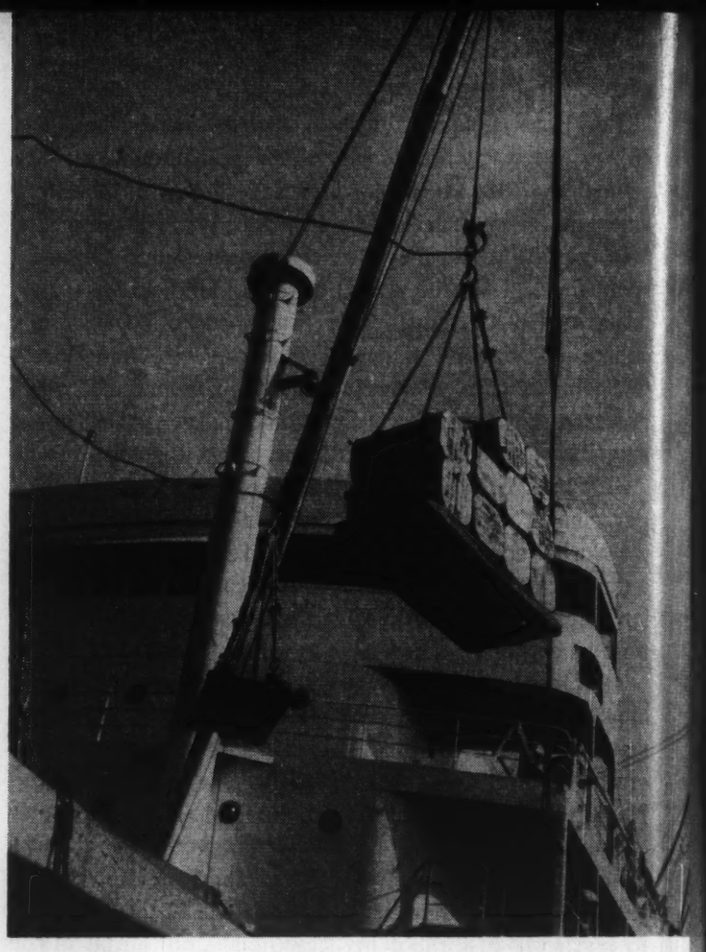
Business, Labor Agree Government Should Finance Export Trading

by David Fulton



Asian markets cry out for Canadian capital goods; aid may be expanded.

WHEN THE CANADIAN Manufacturers' Association comes out as advocate of new government enterprise and warns against a private move into the same kind of business, something is bound to happen. Recent CMA recommendation to the Prime Minister that Ottawa set up a Crown corporation to provide long-term financing for exports puts the manufacturers somewhat out of character. In this topsy-turvy situation, it is hardly surprising the industrialists end up with organized labor on their side.

Here is one time management and labor seem to have struck a common interest to a degree not too familiar. The manufacturers, collectively and individually, point to increased employment as the one big gain to come from adequate financing for capital goods exports. Canadian Labour Congress president Claude Jodoin agrees adequate credit facilities are essential. In the face of this accord, the government faces increasing embarrassment if it fails to come up with a solution.

The manufacturers' brief brought to a head a two-year round of warnings and proposals by exporters' groups, bank presidents and industry executives. Some demanded government action; others urged a private venture. Now the CMA has come out with a comprehensive and well-documented statement of the problem. Here, in effect, is what it puts before the government: Help us to match the credit facilities of the U.S. Export-Import Bank and we'll help you solve a big slice of the current unemployment situation.

In the underdeveloped countries of Asia and Latin America, Canadian makers of heavy capital goods see big opportunities going down the drain because they cannot match credit terms offered by manufacturers in the United States, Britain and Europe. Canada has shared in these markets, with exports of ships, locomotives, turbines, etc., where shorter terms have been acceptable or where funds have come from the Colombo Plan or the World Bank.

Over the past five years or so, the problem has become more acute because of increasing willingness of others to stretch terms of repayment to 10-15 years. A contributing factor in this development has been vigorous competition in Latin America, Asia and Africa following European recovery. Vast economic rehabilitation plans in these areas must be paid off gradually. In mature economies, bond markets look after financing.

Overseas buyers wanting extended credit soon discover who plays the game. In many cases, Canadian firms now are not being asked to quote, even though on every other count we may be competitive. Give us the same kind of credit facilities, say Canadian capital goods makers, and we will expand Canadian exports and put to work labor and plant now unemployed or working below capacity. Big development projects overseas, they maintain, could help keep modern plants and skilled men busy.

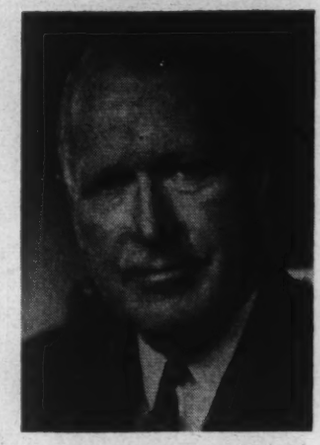
Specifically, the CMA wants: long-term financing with terms ranging from five to fifteen years covering goods like locomotives, turbines and heavy industrial

quipment; medium-term credits (two to five years) on goods such as rolling stock, rails and pipe; in certain cases, even shorter terms for materials intended for capital projects overseas.

Will the matter receive serious attention in Ottawa? In principle, the government is said to be sympathetic. At any other time, that could be the same as saying nothing will come of it. But the political climate for a government move has been developing. The Department of Trade and Commerce is believed more or less convinced that some form of long-term financing is needed to give exporters a chance in underdeveloped countries. Trade Minister Gordon Churchill inherited piles of industry opinion gathered in the last days of the Liberal regime. Before they were sorted out, Diefenbaker's trade switch campaign diverted the minister's attention from exports sales of our manufacturers to how to encourage British industry to dig deeper into the Canadian market.

Now that the trade switch itself has been twisted into trade diversification, the current CMA proposals may fall on readier ears when they come before the cabinet. Biggest opposition to a government move at this time is expected from the Finance department. To establish a workable export finance corporation, the government must be prepared to find something in the region of $100 million within the reasonably near future. One view is that further expansion of credit can only add to inflation. Finance Minister Donald Fleming is reluctant to let the budget deficit get out of hand. With resource development projects like the Saskatchewan Dam a big part of the government program, the question may become one of priorities.

Diefenbaker's attitude likely will decide. Impressions he brought back from his trip through Asian markets crying out for heavy capital goods still are strong. If, as we suspect, he may try to sell the cabinet a policy of expanded aid to underdeveloped Commonwealth countries at this time, even he may need to offer more than a vision of closer family ties. But his constant thumping away at increased trade doubtless has set the mood. A venture which offers to increase aid to underdeveloped lands, both inside and outside the Commonwealth, without direct give-aways, which promises to expand overseas exports and at the same time ease unemployment at home is one he may find difficult to cast aside.



A. C. Ashforth, head of Toronto-Dominion Bank, wants government body.

But even if to Diefenbaker it may look like a smart political move as well as a sound economic step, some rapid exchange of economic theories can be expected before a decision is reached one way or the other. As many good reasons have been found for not doing anything over the years as can be brought forward for doing something now. It all depends on the point of view. The banks have shied away, of course, from term loans that would tie up funds. The chartered banking system is designed to meet day-to-day commercial needs—the short-term, current requirements of business. It is not built to do anything else.

Even if banks were willing to undertake a larger proportion of term loans than has been considered prudent in the past, one banker has pointed out, the pool of special funds would be limited. It would depend, too, on factors such as central bank policy which regulates cash reserves. No pool of funds, in fact, exists in our financial structure immediately available for the purpose. How can one be created? There are two schools of thought. One group looks to government to find the initial capital; the other believes free enterprise should solve its own problems.

The Liberals rejected overtures from industry for government action because they could not reconcile it with Canada's position as a net importer of capital. In the CMA view, the two are not incompatible. One trade authority explained the Liberal stand this way:

"One of the factors is that Canada is the largest borrower on international account. We need a lot of capital in this country for our own development and it seems a bit incongruous for the Canadian government at the same time to be lending abroad on international account. The real problem lies in long-term financing and most of the complaints that have reached Ottawa have related to operations of the Export-Import Bank. The question really is: At a time when we are borrowing from abroad, is Canada justified in giving long-term loans to foreign countries?"

The Export-Import Bank, it was held, has been making loans up to 20 years

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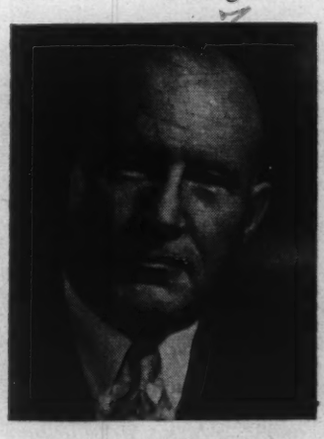
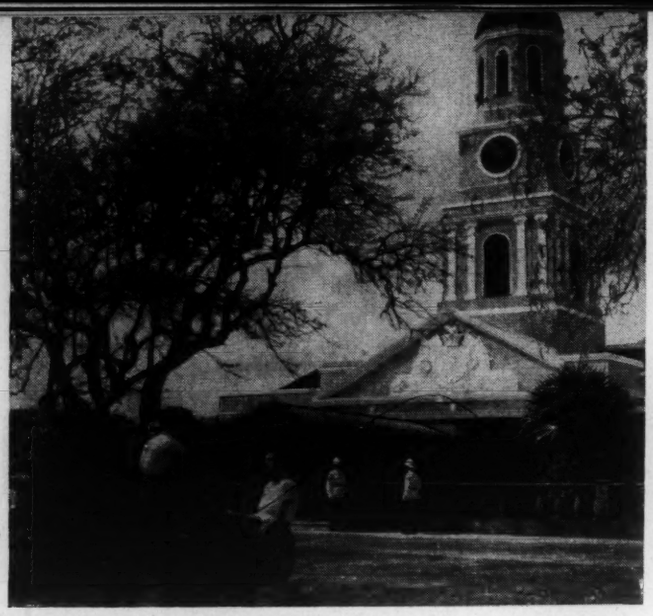
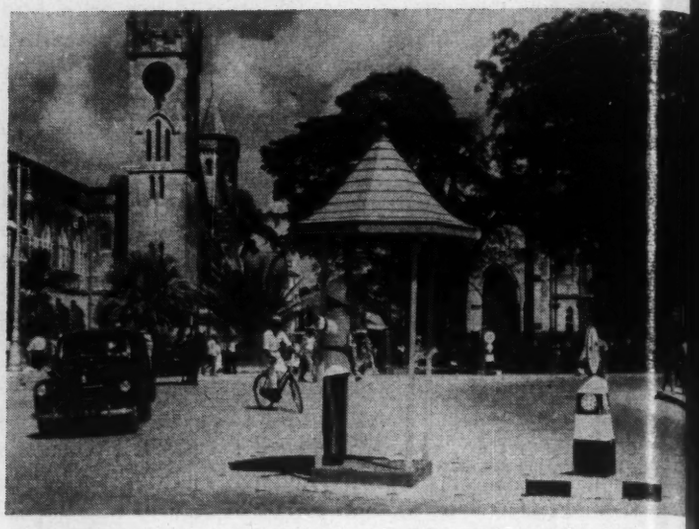
Heavy capital goods and industrial products such as pipe, locomotives, combines, turbines, rails, would be covered.



Royal Bank chief James Muir urges bank group.



Barbados has many fine hotels, residential clubs and guest houses. Two visitors chat on the lawn of the Savannah Club.



Bridgetown, the capital, contains buildings dating back to 1750. This is Trafalgar Square in the heart of the city.

"Little England" in Barbados

by G. E. McGrath

AS ACCESSIBLE as it is beautiful, Barbados offers Canadians a wonderful retreat from wintertime. This "Island in the Sun" is only 11 hours' flying time from Montreal or Toronto via Trans Canada Air Lines.

The easy pace of life in Barbados is one of its biggest attractions. Only 21 miles long and 14 miles wide, the island is a haven for the harried, a place to "unlax" on some of the world's most beautiful beaches. When it's time for a dip, bathers have a choice of the combers which come in along the island's east coast or the gentle swells touching the west shore.

The climate of Barbados is made to order for visitors (Barbadians like it, too!), for there are no seasonal extremes. The average January temperature is 78°F and in July, 80°F. Rain is infrequent, ranging from two inches in January to five inches in July. This fortunate island is blessed with a natural air-conditioning system, for it is in the path of the cooling trade winds, which keep hot weather discomfort to a minimum.

Barbados has long been known as "Little England", as much for its geographical resemblance to the mother country as for the customs of the islanders. Drawn from vast underground reservoirs, Barbados boasts limitless quantities of the purest drinking water in the Caribbean. There are small highlands in the northern section. The east coast is rimmed with high cliffs, while plains stretch inland from the south and west coasts.

If there is any one period of the year when visitors find the island at its beautiful best, it is May through July. The flowering trees are in luxuriant bloom, and harvest workers make their unhurried way through rolling fields of sugar cane. A chance conversation with a plantation owner often leads to an informal and rewarding tour

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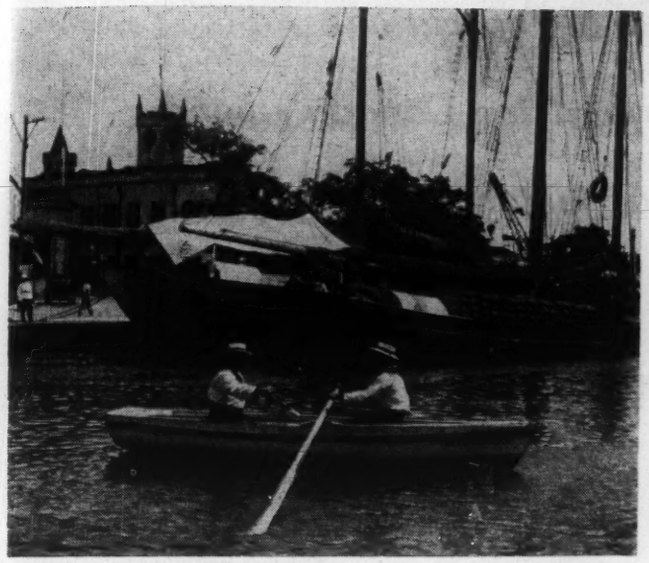
In Barbados, cricket enjoys the same prestige baseball does in America. A game in progress at St. Andrews.



Harbor police of Bridgetown, whose style of uniform has changed little from that of seamen of Nelson's day.

Island's most famous landmark is Sam Lord's Castle. Built around 1820, it now serves as a popular hotel.

Mauby woman vends cool drinks of a liquid brewed from roots and herbs.

Although small in size, only 21 miles long and 14 miles wide, Barbados can offer the visitor a wide choice of activities. Racing at the Savannah.

Population of Barbados is only about 220,000, and the natives speak with a British accent. These are members of the band of the Barbados regiment.

Barbados is famed for the quality of its rum and its weather. It is summer all year round. An old sugar mill is remindful of the island's historic past.

Results of recent government financing operations show the necessity for reorganizing Canada's bond market. The critical factor is the Bank of Canada.

Government and the Bond Market

by R. M. Baiden

THE BOND MARKET is in a sharp, severe and quite possibly protracted depression. How it got there, why and what is apt to happen in the next few months is causing an uncommon amount of head-scratching. The answers, however tentative, are not particularly reassuring. But they are often surprising.

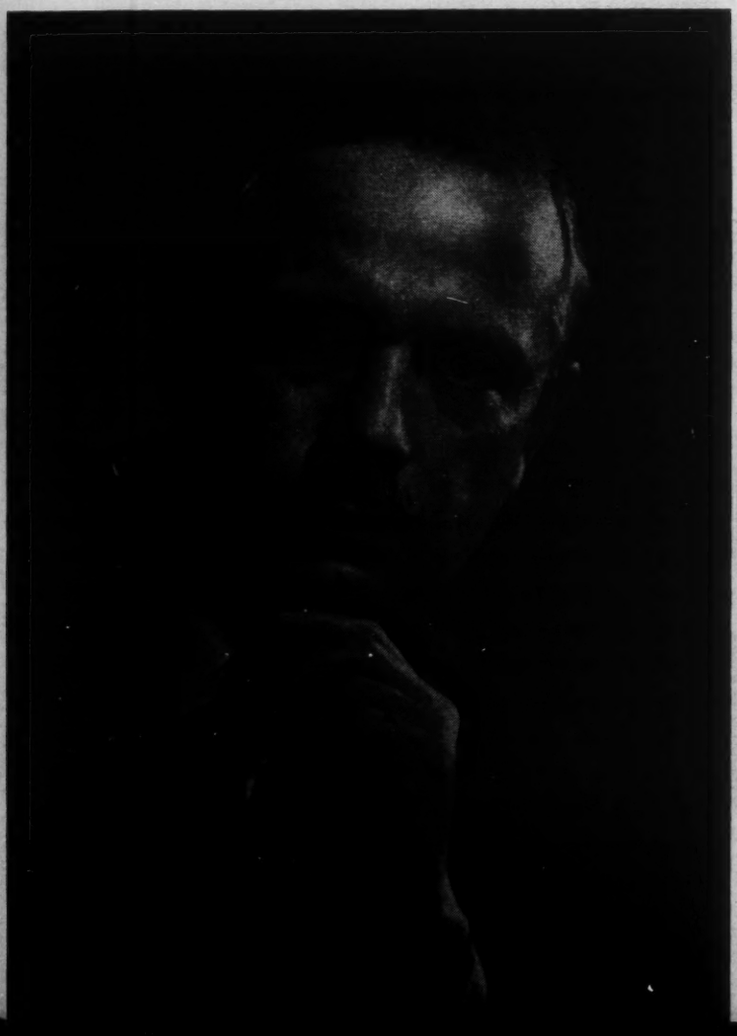
There are clear indications that the situation is more than just another investment problem concerning only those lucky (or unlucky) enough to be involved in the bond market. Finance Minister Fleming, in a speech early this month to the Canadian Club of Toronto, devoted almost one-third of his 20-page address to the state of the bond market with particular reference to the recent Conversion loan. The burden of Mr. Fleming's remarks in this regard was that although it was indeed unfortunate the bond market was in such a sad state, the government was in no way to blame. It had happened, in fact, despite the government, Mr. Fleming said.

As a proposition this cannot be proved one way or the other. But as evidence of the involvement of the government in the bond market it is significant. It points to the relationship of the Bank of Canada with bond prices.

There is a growing body of opinion among economists, bond dealers and traders that this relationship must be altered if the bond market is to continue to function in any free sense. Two relatively clear-cut, and fundamentally opposed, viewpoints have emerged. One, expounded by H. Scott Gordon, an economist and critic of the Bank of Canada, calls for an expansion of the Bank of Canada's activities in the bond market. The other, strongly favored by a group of dealers and traders, calls for a "bills only" central bank. This would take the Bank of Canada completely out of the bond market.

Mr. Gordon, in a recent article in *Executive Decision,* said the Bank of Canada "should be offering government securities to the market in a very large variety of maturities, running all the way from 91-day bills to perpetuals, and that it should offer these for sale no less frequently than every week. The system could be operated as an expansion of the present treasury bill tender system . . . or as an expansion of the Bank of Canada open market activities. Such a change . . . would eliminate the chief cause of its troublesome interference with monetary policy and it would also help to put the interest rate stricture in Canada on a basis that is more clearly determined by the forces of supply and demand."

The "bills only" group says the Bank of Canada can function as the nation's money manager with a policy resting only on the operation of the treasury bill market. This group of professional bond traders and dealers says



Minister of Finance Donald Fleming described Conversion Loan as "constructive and stabilizing factor" in bonds.

debt management should be returned to the federal government as part of its fiscal policy. This, the group says, would result in a completely free market where interest rates would find their own level.

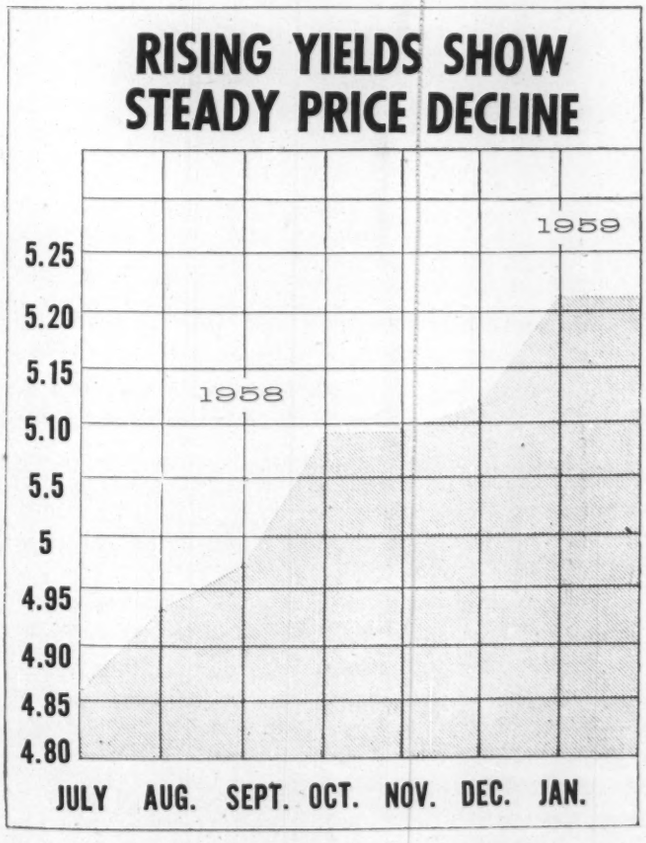
So far, neither the Minister of Finance nor the Bank of Canada has given any hard indication of a change in either policy or operations. But there are indications that there will be changes.

The strongest indication is the state of the market. Long-term Government of Canada bonds are selling at discounts ranging up to 18 points. The three per cent perpetuals are down 25 points. Short terms show discounts of around three points. The highly touted Conversion loan 4½'s of 1983 sell almost five points off par. The provincial and municipal markets are similarly depressed. The only show of strength is in the corporate market (some good corporates show a lower yield than provincials) but that is largely the result of a paucity of offerings and a clean calendar.

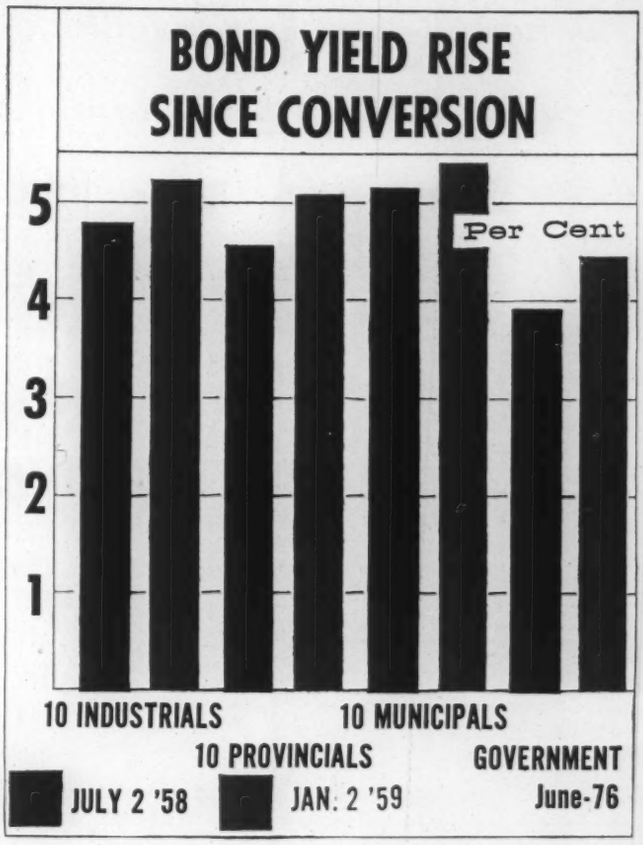
A year ago, by contrast, the bond market was enjoying one of the most rapid price rises in years as U.S. and Canadian governments cut interest rates. Today, the expectation is that interest rates will rise.

The market that current bond prices reflect disturbs most bond dealers. Some, perhaps an extreme group, feel that the long-term bond market is, for all practical purposes, finished for the time being. Their argument runs along these lines.

When the government sold the Conversion loan, through the Bank of Canada, it found it had a much bigger job on its hands in supporting the market than it expected. It found, in fact, that it simply couldn't maintain the market because investors were "rolling it over": they either cashed in their Victory bonds or converted and then sold soon after. The result is the chartered banks are full to the ears with Conversion bonds. But what happens, they ask, when business activity picks up a little more and there is increasing demand for lendable funds? Probably, the chartered banks will have to liquidate a good chunk of their bond holdings. That will really hammer the market down.



Steady rise in yields, with brief pause, has been feature of recent trends in Canadian bond market.



Sharply higher yields in the major bond categories of corporates, governments, are measure of lower prices.

They also say the apparent strength of the corporate market is deceptive. The scarcity of good corporate offerings, they say, reflects an important change in corporate financing. Companies prefer not to come to the bond market. As supporting evidence they offer the recent case of British American Oil. BA had been expected to float a large bond issue. Instead, it raised close to $80 million by selling common stock.

The view that the government has in effect killed the long-term market in particular and crippled the overall market in general is not a majority viewpoint. Most bond men feel the Conversion loan was a contribution to stabilizing the market. Few, however regard it as an unqualified success.

The chief criticisms among those who support the Conversion loan are that, although it was not a cash issue, it did create a substantial amount of new long-term bonds and unsettled the market in the process. A second,

CONTINUED ON PAGE 32

The hottest issue in Canadian education may be coming to a head in Manitoba following a Royal Commission report. Can single-salary schedules be replaced by the newer system?

Merit Ratings for Teachers

by Ross Henderson

A COMMITTEE OF MANITOBA teachers, school trustees and department of education officials are now sitting in Winnipeg to discuss what promises to be one of the hottest issues in Canadian education this year—merit rating of teachers for salary purposes.

Education minister Stewart McLean says that, if these talks find an acceptable formula for such merit rating, provincial grants to school districts—recently raised—may hinge on how well a district's teachers are rated. If such provincial backing is forthcoming, Manitoba will be the only province in Canada with a province-wide merit rating scheme.

First hint that the provincial government was thinking seriously about merit rating came in September with the publication of the interim report of Manitoba's Royal Commission on Education. The report recommended much higher teacher salaries, but with annual increases to be granted only if the teacher was rated "good" or better by the district school inspector and had satisfied the local school board.

In legislation introduced in October, the new Roblin government raised grants, but left out the merit rating clause recommended by the Royal Commission.

The move toward merit rating in Manitoba, as well as two small-scale experiments in Saskatchewan and British Columbia, came at the urging of school trustees. Teacher organizations, while agreeing to discuss the proposals, are dead set against any move away from the single-scale salary schedules for which they have fought for so long.

Practically every school district salary schedule in Canada is based on only two factors—years of teaching experience and years of academic and professional training. Teachers get increases at regular intervals, usually yearly, until they reach the top of their category.

Under merit rating schemes, the individual teacher's salary is usually based on a schedule, but with bonuses or accelerated progress given to teachers who teach, in the opinion of the employing school board or the provincial department of education, with greater success and efficiency.

Conversely, salary increases granted previously can be withdrawn if the teacher does not perform satisfactorily, at least under some schemes that have been tried in the U.S. and British Columbia.

In our society, which is based, so we tell ourselves, on the principle of rewarding hard work, intelligence and ambition, trustees become suspicious when teacher organizations balk at becoming involved in merit rating. The accusation is made by the trustees that teachers' federations and societies are unions, designed to protect the incompetent from his just reward and to promote mediocrity in the teaching profession.

As talk in educational circles on merit rating became more prevalent a few years ago, the western teachers' organizations began preparing their case against merit rating. The most ambitious program was that of the Saskatchewan Teachers' Federation, who sent one of their staff, Stirling McDowell, to Syracuse University to attend a seminar on merit rating.

Locals of the STF have available a 39-page booklet prepared by McDowell on the subject, and a list of 129 articles that have appeared on merit rating in many publications.

The Saskatchewan teachers had reason to investigate the subject thoroughly; pressure there for merit rating by trustees has been strong, with merit rating having been adopted in one district and partially adopted in another.

The Lumsden, Saskatchewan, school district, which employs only four teachers, attracted interest it never had attracted before and probably never will again when it inserted this single sentence into its teacher contract

CONTINUED ON PAGE 32

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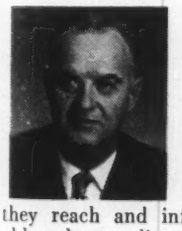

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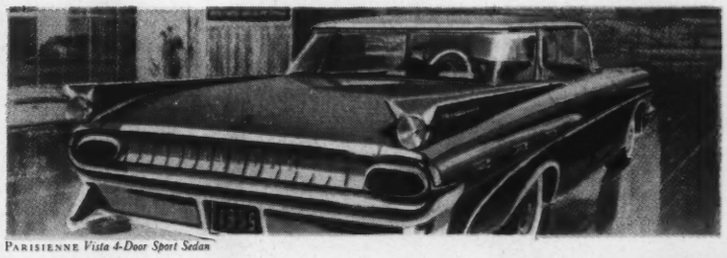

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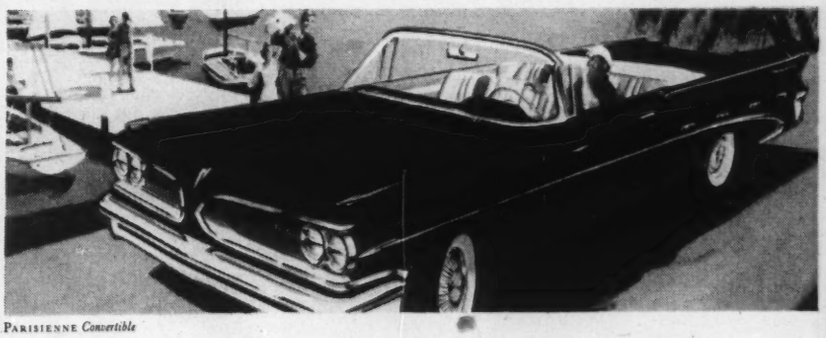

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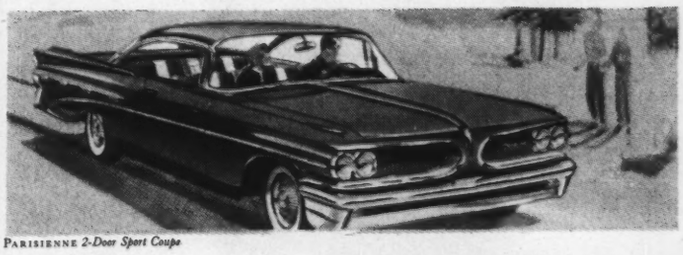

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Records

by William Krehm

Around the Horn: Joseph Eger, French Horn. *RCA-Victor LM 2146.*

Joseph Eger is a virtuoso horn-player who has been dedicating his talents to evangelizing the public and composers on the solo possibilities of his instrument. The comments of this disc not only make Mr. Eger's point, but underline the thinness of the fare that this golden-voiced instrument had to get by on. These contents vary all the way from a Haydn horn trio, a Mozart horn concerto, a Rossini number, a poignant item written by Leonard Bernstein in memory of his brother's dog, and many, many arrangements from Schubert, Gershwin, Bartok.

There is also an enlightening talk by Mr. Eger on the development of the horn all the way back to the ram's horn. This is brilliantly illustrated with passages from the repertory for two, three and four horns, which Mr. Eger — with the help of recording techniques — contrives to play himself, himself, and himself. Sound good.

Beethoven: Symphony No. 6 (Pastorale). Igor Markevitch conducts the Lamoureux Orchestra. *Decca DL 9976.*

Beethoven: Symphony No. 6 (Pastorale). Bruno Walter conducting the Columbia Symphony Orchestra. *Columbia ML 5284.*

Two distinguished readings of the Pastorale by conductors whose approach to the music could not be more different. What Markevitch offers us is essentially a landscape seen from a distance, while with Walter the human reaction to the countryside is to the fore. The sun over Walter's fields and forests is higher and warmer. And when in the third movement Beethoven gathers the country-folk for some merry-making, you notice at once that Markevitch's have a dash of blue blood in their veins and more finely turned ankles than Walter's. Whether you think they should or not, is entirely a matter of taste.

Dvorak: Concerto in B Minor for cello and orchestra. Mstislav Rostropovitch with the Royal Philharmonic Orchestra under Sir Adrian Boult. *Capitol G 7109.*

There is no more endearing work of Dvorak than his cello concerto, and Rostropovitch, the great Soviet cellist, gives us a glowing performance that suffers only from a rather stolid third movement. Sound good.

Jacket drawing by Theo Dimson for "Looking at Architecture in Canada".

Books

by Robertson Davies

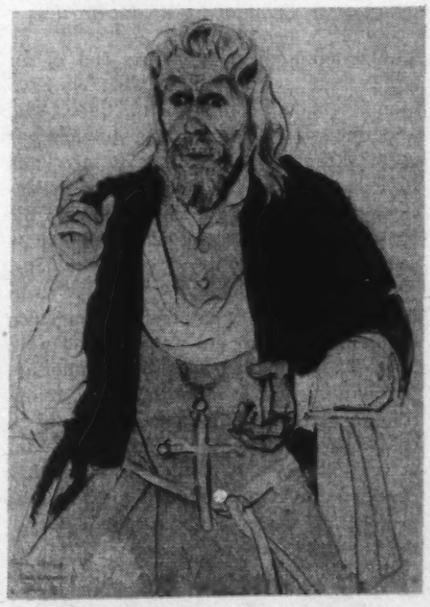
Looking at Canada

Ostentation has always been against our national grain — it is dangerous to admit the possession of money or of taste greater than the neighbours.

TWO BOOKS ARE at hand which teach us how to look at Canada; a third, which is concerned as much with looking as with thinking, must be mentioned with them. The first two are *Looking at Architecture in Canada* by Alan Gowans and *The Face of Early Canada* by F. St. George Spendlove; the third book is *The Arts in Canada,* edited by Malcolm Ross, and the work of sixteen experts who are named, and doubtless others who are not directly credited with opinions. All three are excellent books, and you should not neglect them. All three are rooted in the intelligent self-consciousness which has been at work in this country since the end of the war.

It is a never-failing source of astonishment to visitors that in Canada, where the landscape is so varied and so beautiful, the works of man are so overwhelmingly mean and trivial. There are literally hundreds of places in Canada—some of them large cities—in which there is not one solitary building upon which the sensitive eye can fall with pleasure.

The business streets are horrors of gimcrack, ranging from Victorian false-fronts which have been tastelessly "modernized" on their ground floors, to Orange-Crate Modern: the churches have been built on the principle that, as the Son of God was born in a manger, God Himself may be asked to reside in a brick or stone barn; armouries, built like late-medieval forts, represent our armed might; public libraries and schools, built like old-fashioned factories and bedizened with mouldings, represent learning; the church-like erection which is nearest the railway tracks is probably the station; the inhabitants live in streets composed of brick or brick-veneer dog-kennels, and every kennel has a face, whether it is the surprised, superior face of a three-storey Victorian house, or the scowling, delinquent face of a "storey-and-a-half". If kindly Nature did not clothe some of these trash-heaps with trees for a part of each year, the incidence of neurosis, insanity and suicide would be even greater than it is. For not even Canadians can live in such deliberate ugliness without being affected by it, and do not try to convince me otherwise.



From "The Arts in Canada". Gratien Gelinas by Grant Macdonald.

There are reasons why it should be so, of course. There has never been a period of Canadian history when Leisure or Pleasure had a strong enough grip on the monied classes to encourage good building. Ostentation has always been against our national grain, for we are a democratic people, and among democrats it is dangerous to admit to the possession either of money or taste greater than the neighbours'. Armies of Scottish masons untrammeled by aesthetic considerations, taught us to reverence solidity, and to model our notions of a fine public building upon the jails of Aberdeen. We have our excuses. But the fact remains, as Mr. Gowans puts it strongly in his preface, that our architecture is at its best second-rate and derivative. He then proceeds, by means of pictures and an excellent accompanying text, to show us what we have, and to offer some suggestions as to what we may do about it.

None of the foregoing abuse (which is mine and not Mr. Gowans') means that Canadian architecture is without interest, or even that it cannot be picturesque and

revealing even at its unspeakable worst. And there is an element, too often forgotten even by architects, which must be borne in mind if we hope to do justice to the buildings we have: we must not only see how they look now, but we must also try to recapture *how* the builders of other days *thought* their buildings looked. Architects are naturally optimists, and we must try to understand the optimism of the past.

Canada can certainly be picturesque, especially in winter, and this picturesqueness arises directly from the country and the people; as the picturesqueness of Italy is rooted in God-given sunshine and human dirt, and the picturesqueness of Holland in an almost morbid sense of civic order and cleanliness, so the picturesqueness of Canada comes from the cold blue light of our winters, and the steps which we take, corporately or individually, to combat those winters. Of all our architectural borrowings, our Gothic and Norman buildings are best adapted to our winter climate, and winter is our characteristic season. Gothic and Norman modes provide plenty of places for snow to lodge on the walls of a building, and create a beauty and a playfulness which is, so far as this continent is concerned, all our own.

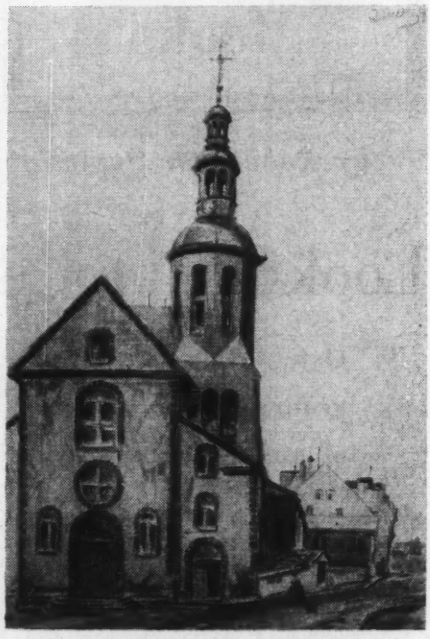
Mr. Spendlove's book shows us how Canada looked to the artists of the past. He has assembled in his handsome book those pictures which, in his highly expert opinion, give us the truest notion of what our country looked like from 1556 to 1867. Not all of the artists were accomplished, but some of them were capable "takers of views", and one or two are of great reputation; it is interesting to find that uproarious Romantic, Henry Fuseli, represented by a view of Niagara Falls; as Fuseli was never in Canada, this was presumably done from other pictures.

These views, good and bad, have something in common with those county atlases which were concocted in Ontario during the last century; in them, every man's farm became handsome and trim, and in these pictures Canadian scenes receive a kind of aesthetic grooming. The picturesque—as with Niagara Falls—is made more so; buildings are shown at their best; the light, so far as we can judge it, is more akin to the soft light of England than the clinical glare of the Canadian sun; trees are strategically placed; the inhabitants, when they appear, are in stagey attitudes. In these respects the pictures are simply the journeyman's work of their time, but it was a time when artists liked to impose form and order on their material.

Were they wrong to do so? I do not believe it, for by a slight falsification of their subjects they achieved a greater truth in portraying them. This is not paradox for its own sake, but an artistic truth which every serious amateur photographer knows; there are a dozen ways of showing any subject, and who is to say that the most flattering is less "real" than the least flattering? The artist's opinion is shown by the choice which he finally makes.

We must be grateful to Mr. Spendlove for thus making the riches of the Sigmund Samuel Canadiana Collection available everywhere. His book is a record of many things, not least of the attempts of early settlers and early artists to make Canada look like Europe, and to see it through European eyes. Mr. Gowans' book shows us some of the same thing, but also what happened in Canada when we began to build what we thought we needed, and when we lost our European vision without fully developing a vision of our own. It provides a century's provision of food for thought.

Some of that thought, very ably presented, is enclosed in *The Arts in Canada,* to the authors of which I apologize for thus bringing them in at the end of an article. But as a record of what we have been able to do in this country since 1936, when the late Bertram Brooker brought out his last *Year-Book of Canadian Arts,* this compilation is invaluable. Some of the inclusions are surprising, as for instance the consideration of Creative Scholarship (how some scholars yearn to ride the white horse of creation and the black horse of criticism at the same time!) and that on Town Planning, but both are welcome and well-done. Radio and television, more important in this country than in most, get the serious consideration they deserve. This book is described on the jacket as "A stock-taking at mid-century". It is far, far more than that; it is an encouragement to those who provide the material for such a survey—the artists themselves.



From "The Face of Early Canada". Cathedral, Quebec, by W. H. Bartlett.

Looking At Architecture In Canada, by Alan Gowans—137 illustrations—*Oxford —$7.95.*

The Face Of Early Canada, by F. St. George Spendlove—6 colour plates, 122 illustrations—*Ryerson—$8.50. (de luxe edition $14.)*

The Arts In Canada, edited by Malcolm Ross—20 colour plates & over 100 monochrome illustrations—*Macmillan—$10.*

Short Reviews

Anecdotes Of Destiny, by Isak Dinesen —pp. 221—*Michael Joseph—$3.25.*

This powerfully individual writer maintains her second-highest standard (not quite that of *Seven Gothic Tales*) in these five strange stories. There is nobody today who touches the romantic string quite so surely, while conveying a sense of deep and timeless truth. Who else, for instance, could have written "The Tempest" in this group, in which a theatre company preparing the Shakespeare play, a real tempest at sea, and a tempest of human emotion are so inevitably interwoven. The work of one of the great artists in the literary world of our time. S.M.

The Season's Lovers, by Miriam Waddington—pp. 56—*Ryerson—$2.50.*

This poet, who is a sensitive interpreter of the themes of common humanity, distinguishes usually traditional forms with the occasional flaming or cutting image which may become a whole poem. Her effects are often incisive and poignant together.

These vignettes will be appreciated by readers who enjoy delicate perceptions realized in well-made poems. M.A.H.

Ask Me No More, by Pamela Frankau —pp. 381—*British Books—$3.75.*

The alleged moral dangers of the theatrical life are exploited in this expert novel. Geoffrey Bliss, playwright, is an *homme fatal* (second-rate bum) who depends on his secretary, Alex Wharton, for the sense of security which her integrity inspires in him. Alex at last marries him, and after his death has an affair with his son by another woman (incest-in-law, so to speak). Situation resolved when this young man is killed. Miss Frankau is a fine technician. M.N.R.

Irrational Man: A Study in Existential Philosophy, by William Barrett—pp. 248 appendices, index—*Doubleday—$5.75.*

Existentialism, as a philosophic interpretation of human life, is as closely intertwined with rational philosophies as romantic and classical trends are enmeshed in literature. Its most recent manifestation in France is merely the newest link in a chain that can be traced back to elements in the philosophies of Socrates and Plato.

This, much too briefly, is the theme of an enthralling study by the American

hilosopher, William Barrett, who holds p the mirrors of history, religion and art o modern man. Professor Barrett reveres Kierkegaard, the giant of religious psychology and that philosopher who "went for the jugular", as the most exalted genius of existentialism, whose insights continue to be proved daily on the pulse of modern man, that man who has proved himself rationally to be cleverer than Prometheus and Icarus put together, but who stands revealed in all his stark finitude in modern art.

This amalgam will delight thoughtful individuals who lack absolute faith in pure reason. M.A.H.

Reflections, Books I & II, by R. L. Parsons—pp. 117—*Ryerson—$3.00.*

In this year of grace, hundreds of rhymed couplets in iambic pentameter, which combine Crabbe without the bite, Goldsmith without the gold and Wordsworth without the magic word, have an almost hallucinatory effect. They create a little vacuum in time.

Their author has made, no doubt, a local reputation as the poetic annalist of his native Newfoundland. His book is produced with attractive illustrations. Perhaps the vitality of his inspiration may best be measured by comparing Goldsmith's *Elegy On The Death Of A Mad Dog* with Mr. Parson's *Soliloquy Of A Tomcat On The Art Of Living.* M.A.H.

Love And The Princess, by Lucille Iremonger — pp. 286 — illustrations — *British Books—$5.50.*

The effect of the Royal Marriages Act on the lives of the six daughters of King George III is the theme of this historical biography. Only one (the Princess Royal) married with the King's grudging consent; two married after the Regency had been established, and three died unmarried. Of these, Sophia bore an illegitimate son, and while Mrs. Iremonger delves deeply into many sources of information, the paternity of this child is never revealed. This book will appeal to those who, in the author's words, have "an appreciative eye for the vagaries of human nature in general and of royalty in particular". M.W.

The Portuguese Escape, by Ann Bridge —pp. 320—*Clarke, Irwin—$3.25.*

Accomplished and lightweight, this is an adventure story and a contrast of European, British and American attitudes against a background of Communist intrigue in Lisbon. A Hungarian girl, escaping to her mother in Lisbon, loves an Englishman, and is loved by an American; the climax is a thrilling chase across Portugal. But the charm of the book is in its characters, and the reader may well wish to live in a society so confident, so clever, so kindly, and yet so much on the beam! B.E.N.

The Scots Guards at historic Windsor Castle

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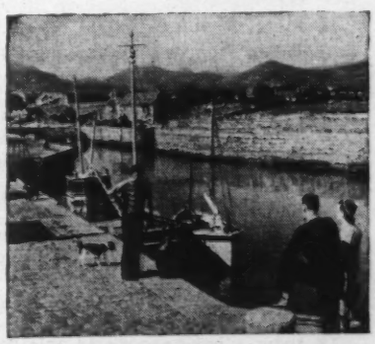

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COME TO BRITAIN

Chess

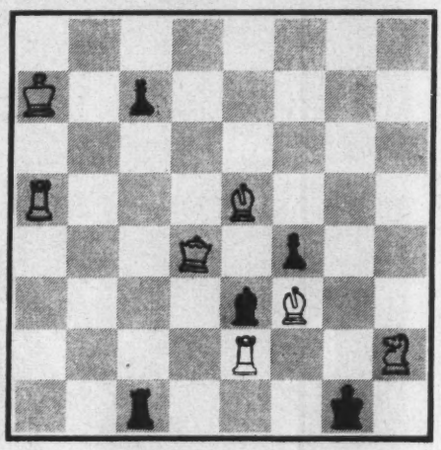
by D. M. LeDain

WHILE OPINION WAVERS over a design for a new Canadian Flag, an Eskimo at Pond Inlet, NWT, has produced an all-Canadian chess set, carved from walrus ivory.

Knights are snowy owls, Rooks, sitting foxes, and Bishops, Arctic hares. The Pawns are represented by seals. The King and Queen take the form of an Eskimo and his wife, the latter with a baby on her back. An extra substitute piece, a bear, has been included in the set, presumably for use when a Pawn (seal) reaches the 8th rank and becomes promoted. No two pieces are exactly alike and the largest piece, the Eskimo, is four inches high. The set, which took a year to carve, is owned by Supt. Henry A. Larsen, of the RCMP. He won fame for Canada and himself and crew by circumnavigating North America for the first time in the "St. Roch".

Solution of Problem No. 210 (Reshevsky). Key, 1.K-B4, P-B7; 2.B-R7ch. Or, 1 . . , P-R7; 2.K-K3.

Problem No. 211, by G. Guidelli. White mates in two. (7 + 5)



Puzzler

by J. A. H. Hunter

IT IS SOME MONTHS since our last alphametic, and several readers have asked for another.

So here we have something really difficult, a true challenge for those who find the easier newspaper alphametics too simple.

Each letter stands for a different figure, and the little crosses merely indicate figures that will have to be identified. Then what is TROUT?

```
  F R Y
  B I G
 -------
  F x x x
  Y x x
x Y x
 -------
  T R O U T
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Answer on Page 35. (93)

Pure Nonsense

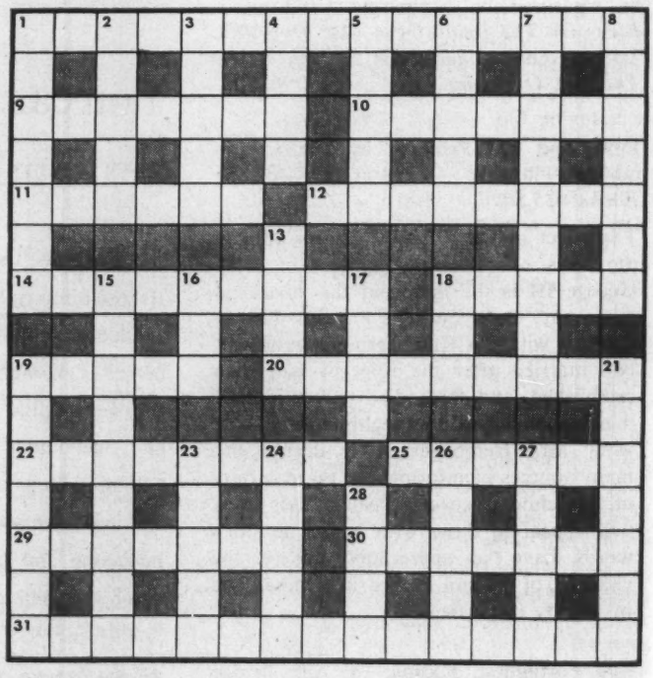
by Louis and Dorothy Crerar

ACROSS

1, 28. Chaste, but rather cold we should imagine. (4,2,3,6,4)
9 Seen Reg around at the bridge? (7)
10 Me tired? That could mean a black mark. (7)
11 How one might play the instrument in 31. (6)
12 Where customs must be observed, as a rule. (8)
14 Did this man leave no stone unturned? One turned to start with. (9)
18 In the Arthurian legends only those who were 1A, 28 could undertake its quest. (5)
19 See 17.
20 Those who do, can't say they have buried their past. (9)
22 Speaking is, in a manner of speaking. (4,4)
25 Quite the opposite of a rinse down? (4,2)
29 Created differently. (7)
30 Where "Roll out the Barrel" originated? (7)
31 When all is chaste a new reformation is evident. (5,2,1,7)

DOWN

1 Did Shaw intend only one such as he to read "The Devil's Disciple"? (7)
2 Piece of music that is in order on Dominion Day? (5)
3 Taken from a different angle this should be good. (5)
4 It's silly to shout "Out, out!" (4)
5 T. S. Eliot's Statesman. (5)
6 Man going under or rising? (5)
7 Keyboard instruments 1A, 28? (9)
8 "He does it with a better grace, but I do it more . . . . . " said Sir Andrew Aguecheek. (7)
13 Does this woman burn to 19A. (4)
15 Exaggerate the position of a U.S.A. governor? (9)
16 He made 6 Romanian. (3)
17, 19A. Speak truthfully, as one might bid the 13 woman. (4,5)
18 Even a beginner seems able to hold his liquor. (3)
19 An R.A. with colic? Upsetting, of course. (7)
21 Expatiate at leaving. (7)
23 King of the Gods? Aw, not that guy! (5)
24 Train these to carry you. (5)
26 Famous violin maker who appeared in a Matisse painting. (5)
27 Strings pulled by tear-jerkers. (5)
28 See 1A



Solution to last puzzle

ACROSS

1 Coster
4 See 35
10 Dared
11 Ada
12 Exits
13 Inn
14 Nothing
15 Sue
16 Gad
17 Errand
18, 21. Last post
22 Relief
25 Ego
28 See 9
30 Stealth
31 Ale
32 Elemi
33 Now
34 Medea
35, 4, 20. The child is father of the man
36 Untrue

DOWN

1 Codling
2 Serenades
3 Endanger
5 Sea lion
6 Avenge
7 Heirs
8 Respect
9, 28. Easter egg
19 Alexander
20 See 35
21 Prefect
23 Eternal
24 In-laws
26 Over age
27 Psmith
29 Geese (460)

Insurance

by William Sclater

Loan Protection

My husband and I want to borrow $2,000 from our bank to trade our old car on a new model. I hear the bank will insure my husband's life to protect this loan. What kind of insurance is this and would I be a beneficiary also? Could we take out a policy ourselves and go to a bank with it for a loan and who pays for the insurance?—M.G., Oakville.

Whether or not you get a loan will depend on your credit rating and the bank manager's appraisal of your position. Whether it is insured or not will depend upon the type of loan. One chartered bank will definitely life insure a loan at no extra cost to the borrower. This is term insurance made out for the amount of the loan and decreases in amount as the loan is paid off. The borrower is simply a participant in a blanket policy covering small loan borrowers in this way.

In these circumstances you could not be the beneficiary to this extent, that if your husband died you would not be called upon to repay the loan as the insurance would do that. You could take out a policy yourself and offer to assign it to a bank as security for a loan. While $2,000 is a low amount for term insurance I would suggest that in such a case it would be preferable to buy $2,000 of ordinary life and then you will be that much better off after you have repaid your loan as you will still have the policy. But see your bank manager first and be guided by his advice as to what is necessary before you do anything else.

Duplicate Coverage

I have taken out the Government hospitalization plan on an individual basis plus supplementary coverage for semi-private accommodation. Is there any way one can prepay the cost of a private room? Do you think there is any advantage in belonging to two schemes whose medical and surgical benefits overlap? Can the same surgical or medical bill be paid twice, the patient using the extra amount to cover other expenses involved?—Miss C.L., Toronto.

Yes, you could take out a hospital expense policy that would prepay the cost of a private room but why do so? Why not be your own insurer for this difference? You already have the government hospital plan which covers you for possibly $17 per diem. You have taken out semi-private which will provide additional cost to the basic plan so why not let it go at that. While you can take out insurance that would prepay a private room, that is no guarantee that you will get a private room. The average stay in hospital is not long and, if you ever were hospitalized, the difference would be well within your means for an average stay.

I see no advantage to overlapping benefits because you are paying for them. If you have two insurors and the bill is more than one insuror provides the usual policy is that they are pro-rated but that would leave you no additional amount for other expenses. May I suggest you talk to one of the big accident and sickness insurance underwriters and consider a form of major medical coverage that would supplement the hospital plan and provide for the contingencies you have in mind. Income protection insurance could also enter into your coverage plan.

Embezzlement

We have been greatly surprised and shocked to find that a trusted employee has embezzled a large sum of money due our business. We have never had anything like this happen before. What is the best form of insurance protection that I can buy from a local agency against anything like this ever happening again though I do not expect lightning to strike twice like this.—J.P., Hamilton.

Trouble is that it does. The annual loss suffered by business, financial and industrial concerns from defalcations by trusted employees is far more than the combined depredations of payroll bandits, thieves, burglars and other criminals.

It strikes so unexpectedly and in such unexpected ways that you are left feeling very helpless. A gang of air-conditioning men putting an installation into a city department store had to work late on a Friday to complete the job. But Friday was payday so, to accommodate the men their pay was brought down to the department store and locked in a toolbox. But at seven o'clock when they quit they found the hasp had been forced and the payroll was gone. A young company manager entered into phoney contracts with phoney contractors. The only thing that wasn't phoney was the cash he pocketed.

What you need to guard against such contingencies and at least restore the stolen cash and property as well as ensure the vigorous protection of the law is a Comprehensive 3D policy. The 3 D's are dishonesty, disappearance and destruction. This policy combines, on an optional basis, fidelity, disappearance and destruction, including burglary and robbery, forgery and other connected forms of insurance. There are two principal forms of this coverage. One is insurance against dishonesty by any officer or employee up to the total amount of the coverage. The other form is like a blanket position bond which has a stipulated maximum for each position and the aggregate liability is the amount of the coverage multiplied by the number of employees involved. Excess coverage can be written with both forms. There is a definite cut-off date for termination of coverage and this should be noted.

This is a very flexible coverage, combining a number of coverages with a separate premium for each. Five of these are printed on the insuring form and others may be added by endorsement. The five printed are fidelity insurance; money and securities broad form premises coverage; money and securities broad form outside coverage; money orders and counterfeit paper currency coverage; depositors forgery insurance. The additional insuring agreements which may be added by endorsement, include: paymaster broad form coverage, on and away from the premises or on premises only; mercantile open stock burglary coverage; and mercantile open stock theft, which extends it; safe deposit box coverage; warehouse receipts forgery coverage; office theft and office burglary insurance.

Non-Cancellable

Can I buy medical and income protection insurance to tie in with the Hospital Plan and is it possible to have this guaranteed to any age?—A.R., Barrie.

Yes, you can buy non-cancellable to age 65 income protection and non-cancellable and guaranteed renewable major medical under one policy. After 65 the policy would be subject to renewal by the company in some cases. Others make special provisions.

Eligibility

Do I have to buy a hospital policy from a private company before I can be eligible for the government hospital plan?—L.P., Edmonton.

No you do not and call your local authority immediately and report it if any salesman tries to tell you so. You make direct application for the government hospital plan yourself. Private insurers may only sell supplementary coverage.

LOBLAW GROCETERIAS CO., LIMITED

Notice is hereby given that a dividend for quarter ending February 28, 1959, has been declared on the Capital stock of the Company as follows:

First Preference Shares cumulative Redeemable, Series "A"	37½ cents per share
Second Preference Shares	54 cents per share
Common Shares	54 cents per share

The dividend will be payable March 2, 1959, to shareholders of record at close of business on the 4th day of February. 1959. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.

R. G. MEECH,
Secretary.

Toronto, January 5, 1959.

LOBLAW COMPANIES LIMITED

Notice is hereby given that a dividend for quarter ending February 28, 1959, has been declared on the capital stock of the Company as follows:

Preferred Shares	60 cents per share
Cumulative Redeemable Class "A" Shares	10 cents per share
Class "B" Shares	10 cents per share

The dividend will be payable March 2, 1959, to shareholders of record at close of business on the 4th day of February, 1959. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.

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Why bank stocks attract — Newsprint against U.S. production — The Hammell estate and Pickle Crow — Taking the profit or holding.

Bank Stocks

I think of investing in some of Canada's banks but am dissuaded by their low yields and the high ratio of prices to earnings. Could I call on you for some clarification in case I am missing the boat, also to explain why prices of bank stocks are so much higher in relation to assets and earnings than they were back in the 30's? —B.R., London.

Canadian bank stocks are an interesting group of equities, which were neglected for some years prior to recapitalization of the banks and the revoking of the old double-liability provision of their shares. This provision meant that if a bank failed and its assets were not equal to its liabilities, shareholders could be assessed for up to the par value of their holdings. The provision made many investors shun bank stocks.

Their current vogue, which results in yields little better than the interest the banks pay on deposits and high price-earnings ratios, reflects a reorientation of the investors' outlook. This is the result of a complex of factors, the most significant of which may be that for the past five or six years bank stocks have outperformed some industrials both in capital appreciation and dividend-paying ability.

A bank's main problem is money and personnel management whereas industry has to manage money, inventories, processing and personnel. In other words, a bank appears to be a simpler project to keep on the rails than an industry. This might seem to imply that bank management is easy; but it isn't. Canada's banks have been alert to the challenge of better methods of doing business and of increasing the range of their activities. They are expanding in the personal-loan field, so long monopolized by finance companies, and threaten thereby to perform a major economic service as well as to find another profitable area into which to operate.

A bank is a simple enterprise for the investor to understand. A look at a balance sheet and a growth chart enables him to make a decision as to a bank's attractions. By comparison, selecting industrial investments requires consideration of many intangibles. In other words, a bank's growth should be projected more easily than a given industry. The money merchant has built-in continuity whereas industries, processes and raw materials are staging a constant war of competition.

A note of caution about oversimplifying banking operation. An important quantity in management is the handling of the intangibles and Canadian banks in their sales promotion and public relation departments, calculated to increase their volume and earnings, have flung down the gauntlet to a good segment of industry. Some of the best studies on manufacturing and commodities are coming not from the manufacturers and traders; but from Canada's chartered banks.

Economc studies of this type reflect an attunement of the banks with the times the effect of which is not being lost on the investor.

Newsprint Outlook

What do you think of buying into the newsprint industry in view of the increasing self sufficiency of the United States in newsprint?—K.A., Winnipeg.

The pattern of world trade in newsprint has changed during the last five years. One of the most significant developments is the creation of a large newsprint industry in Alabama, Arkansas, Tennessee and Texas.

In 1959 total United States newsprint capacity will about equally divided between these states and the older northern mills in Maine, New York, Oregon and Washington.

Another significant development has been the advent of newsprint production in New Zealand and Chile.

Despite these developments, the free world depends heavily upon the large news print exporters, Canada and Scandinavia. In continental Europe, the increase in production since 1950 has met only 60 per cent of the increase in demand.

World newsprint demand in 1959 will exceed 14,200,000 tons, a new annual record, it is estimated in Newsprint Data: 1958, the annual review of the world newsprint situation published by the Newsprint Association of Canada.

The review points out that world supply in 1958 decreased for the first time since the war. The decrease was less than 2.5 per cent and was due largely to a drop in demand by North American newspapers,

which use more than half the world output.

It is also noted that after a decade in which capacity barely kept ahead of increasing demands, the North American newsprint industry is in a position to meet any sudden, large increase in demand such as that which occurred between late 1954 and early 1956. North American capacity in 1959 will be more than 500,000 tons greater than in 1958.

The survey sets Canadian shipments of newsprint in 1959 at 6,140,000 tons, compared with 6,000,000 tons in 1958.

The investor should not forget that the modern economy is largely the creation of communications, in which the printed word still plays a leading part.

Pickle Crow

Are Pickle Crow's chances improved by the sale of the Hammell estate's interest in the company?—B.P., Victoria.

Purchase of the Hammell interest of 800,000 shares of Pickle Crow at 85 cents a share by Goldfields Uranium Mine is undoubtedly a constructive development for Pickle Crow. The new management aims to step up the pace of development and exploration and to boost production on what has been a lively mine for several years, and in which possibilities of further ore are interesting.

The Pickle Crow property in Northwestern Ontario has been developed only to a depth of 2900 feet and is to receive an examination by an independent consultant. The veins are strong and there is no good reason why they should not persist to greater depth. The property is a large one, consisting of 86 claims, and great strides in geophysical methods have been made since it was placed in production many years ago.

The company will also become more aggressive in outside exploration and plans work on claims in the Northwest territories.

Calgary Power

Should I sell my Calgary Power which I acquired at a much lower price, and which does not yield more than bank interest at its recent price? They say you never go broke taking profits. — B.A., Toronto.

The old wheeze about never going broke taking profits may be applicable to traders or scalpers but not to longer-term investors, for many reasons. One is the problem of re-investing the proceeds of the sale of the securities on which the profit exists. What one paid for an equity has nothing to do with the advisability of liquidating it, and indeed if one sold he might even re-invest in another security which has had an equal advance but is not of equal quality to the one dropped.

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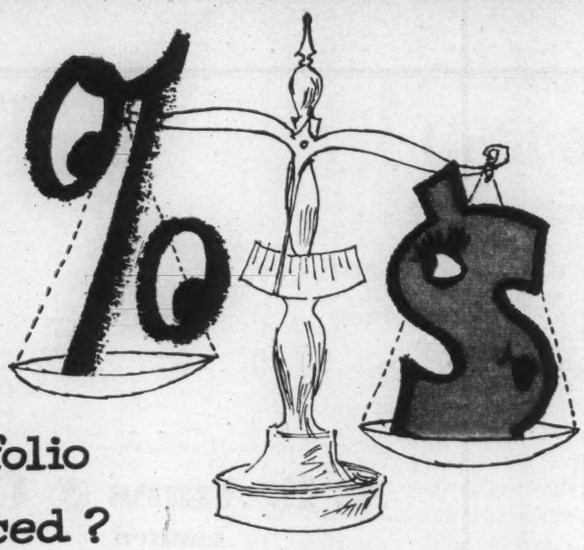

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there could easily lead to going broke. Losses can be major and this is the kind of capital gain which should be sought.

Calgary Power provides only a low yield because people recognize a first-rate growth situation and bid it up to premium prices in relation to dividend-paying ability. The west is growing and the phrase which this publication coined many years ago, "The 20th century belongs to Canada," might be paraphrased to "The 20th century belongs to Canada's west." Mineral riches are changing the economy of the west and brightening the future of its basic-service industries.

One could write columns about the position and outlook of Calgary Power, but it should be sufficient for the investor to note that the company proposes to double its installed generating capacity in the next three years. A considerable part of the company's capacity lends itself to economic power generation by either coal or natural gas, both of which occur in local deposits.

Mattagami Lake

Would it be asking too much to summarize press reports on a new issue of Mattagami Lake Mines? What is this company's property like?—H.A., Quebec City.

A public offering of 164,500 shares Mattagami Lake Mines at $5.50 a share represents the sale of a portion of the 2,000,000 shares issued to the vendors of the property. Proceeds of the issue do not benefit the company. An option on the property has been granted to a group headed by Noranda Mines for a guarantee to spend $400,000 on it by December 1, 1959. If the group elects to proceed with further work, it will be able to draw down 4,000,000 shares for $5,000,000 or an average price of $1.25 a share. This would mean the Mattagami Lake company would have 6,000,000 shares issued.

Work until September 30, 1958, on the claims in the Mattagami area of Quebec indicated an estimated 19,764 tons in the main zone, grading 12.73% zinc, 0.73% copper, 0.02 oz. gold and 1.26 ozs. silver. Prospects of additions to indicated ore are considered bright.

If the Noranda group carries the property after the December 1, 1959, deadline, it must put it into production with a 2,000-ton mill. Expansion of the ore picture could, however, result in a decision to carry the processing beyond the concentrating stage and make zinc metal at the property. This could have important earnings implications because of economies of shipping which it would afford in addition to increases in top value of production.

Undoubtedly this is a project with great possibilities. Some traders have, however, backed away from the stock on the ground that it would have only a narrow market because of the overwhelming proportion of the amount which could be issued being

oncentrated in the hands of a few holders. Others see a lack of proportion between ne $5.50 price placed on the stock by eople outside the company and the $1.25 rice the company has put on its shares, the bulk.

Advance News

A mining company's notice in the press advised its shareholders to have their stock registered in their names since it intended to mail them news of development "at least 36 hours ahead of any release to the newspapers and the general public". What is the significance of this?—H.G., Ottawa.

This promise to send news of developments to shareholders prior to its release to the public reflects the desire of the company's management to play fair with shareholders. But it doesn't mean a great deal, the mechanics of news gathering being what they are. Any news release received by shareholders, which include stockbrokers, would find its way into the daily press in a matter of hours. The news hawks of the financial pages and financial-news services regularly patrol brokers' offices, waiting to pounce on corporate announcements. A tremendously high proportion of financial news obtains circulation in this fashion. Obviously, the press can't be restrained from using an item once it is put in the hands of shareholders.

Responsible corporate officials are quite jealous of their reputations for playing fair with shareholders. Nothing can be so destructive of confidence in a company's management as a suggestion that it is playing favorites in its news releases because these frequently influence or appear to influence the price of a company's shares. Many shareholders live in constant fear that some outsider will beat them to news which can be capitalized on the stock market.

In Brief

Are shares of Merrill Island Mining Corp. a good investment?—R.J., Halifax.

Merrill is a speculation on the chances of finding more ore on a marginal property.

Anything new at Canada Iron Mining?—L.T., London.

Some possibility of its Bancroft, Ont. property being placed in production.

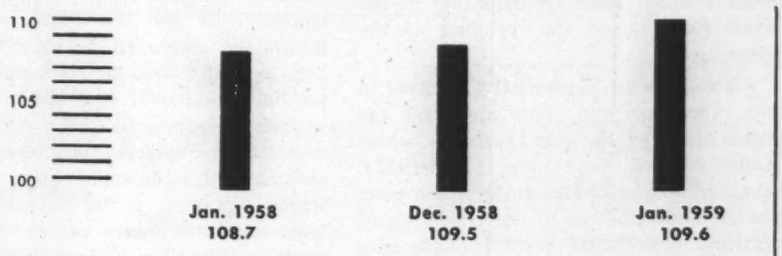
What's Jacobus Mining doing? — B.A., Hamilton.

Using its funds largely to finance a metal-powder project in Ontario and molybdenum ground in the Yukon.

What's new at Wright-Hargreaves?—M.B., Winnipeg.

Recently acquired control of Macassa Mines, which in turn controls Renabie and Bicroft Uranium.

Saturday Night Business Index for January



(Saturday Night's Business Index is a compilation of statistical factors bearing, generally, on Canada's gross national product. It is designed to reflect pace of economic activity. The base 100 is drawn from 1955 data.)

Indicator Table	Unit	Latest Month	Previous Month	Year Ago
Index of industrial Production (Seasonally Adjusted)	1935-39 =100	277.2	276.5	278.0
Retail Trade	$ millions	1,312	1,215	1,269
Total Labour Income (Seasonally Adjusted)	$ millions	1,352.8	1,354.8	1,327.9
Consumer Price Index	1949=100	126.2	126.3	123.1
Wholesale Price Index of Industrial Materials	1935-39 =100	234.4	233.1	231.8
Inventory, Manufacturing Industry (Held & Owned)	$ millions	4,607	4,612	4,816
New Orders Manufacturing Industry	$ millions	1,792	1,758	1,777
Cheques Cashed, 52 Centers	$ millions	22,441	19,027	19,181
Imports for Consumption	$ millions	457.2	499.2	450.6
Export	$ millions	408.7	455.3	434.3
Contract Awards (MacLean Building Reports)	$ millions	271.1	317.9	187.8
Work Week in Manufacturing	hrs. week	40.8	40.7	40.3

Latest month figures are mainly preliminary ones

Total labour income figures above are reworked and are not comparable with total labour income figures printed in previous months.

by Maurice Hecht

OUR ECONOMY shows the same slowness in moving forward now that it has for the past few months. It is likely to follow this pattern for some time yet.

Construction is still responsible for a good part of our gains. Over 160,000 dwelling units were started last year, a record. This pace will last well into 1959. Business building is ahead; industrial building is poor and likely to remain so for some time. That's one basic reason our current move to new peaks is slow.

Industrial production is gaining, but has still to reach the 1957 peak. It may do so about midyear. Retail sales are moving forward again after dragging last summer. Little overall volume gain —if any—was registered comparing 1958 with 1957. This, in itself, isn't bad when you consider poor car sales, which have improved in the last months. All this has a good effect on inventory accumulation at the manufacturing level, for bigger sales put an O.K. stamp on recent manufacturing decisions to expand inventories. This means more work for all.

The Consumer Price Index gave us a mild Christmas present. For the first time since last May it registered a drop. However, inflation isn't settled at all. You'll notice strong growing pains at the wholesale level these days. The general wholesale index ended 1958 at the highest level since January, 1957. The key indicator of wholesale prices for industrial raw materials has also been moving up. All this generally signals retail price increases a year or so away. However, when wholesale prices were skidding in 1957 and 1958, retail prices did not follow suit.

Can Castro

CONTINUED FROM PAGE 9

irreconcilable. Dictatorships like Batista's are old-fashioned, changeless in structure since colonial times, recognizable in the same form in all the republics of the Americas.

Castro himself is personally involved in the experiences and, more important, the frustrations of the last years in which Cuba enjoyed democracy, (1944-1952), chaotic and graft-ridden though these were. As an undergraduate at the University of Havana in 1947 and president of the once all-powerful but non-political FEU (Federación Estudiantil Universitária), Castro and his fellow students stormed against the easy-going indifference in high places, the corruption and nepotism of Cuban public life, a situation accelerated by Batista's coup d'etat in March, 1952.

Now, more than a decade later, will Fidel Castro, still the idealist but Cuba's boss, be able to cope with both the backwash of seven years of Batista and at the same time re-kindle the flame of democracy in Cuba? Because he has never sought position for himself, nor the spoils of office in the society of Spanish America which takes the philosophy of "an eye for an eye" for granted, Castro's future path will be rough. He will probably have little trouble from his equally devoted cabinet ministers. Men such as economist Felipe Bazos, president of the country's all-important state bank, as he was in pre-Batista days, Rufo López Fresquet, the new Minister of the Treasury, completely looted by Batista, are no wildhairs. They realize their work is cut out for them as they set out to stabilize one of Latin America's richest economies, devastated to the tune of an estimated $600 millions in graft by the Batista administration.

But Cuba's wealthy economy is prostrate and will remain so until the all-important sugar crop is cut and sent out to world markets. This is the first and foremost task ahead. A Cuban proverb says, "Sin azúcar, no hay país" ("Without sugar, the nation does not exist.") The cutting season has begun. Roads and railways into the sugar mills, 70% of which lie in the recently rebel-devastated provinces of Las Villas, Camaguey and Oriente must be hastily repaired and damaged mills restored.

Next in importance will be some control over Cuba's chameleon-like labor movement. For believers in purity in politics, Cuban labor could be the toughest group to control. In the late 1940's, Cuba's labor movement was dominated by pro-Communist trade union leaders taking orders directly from the large Soviet Embassy, innocently located in Havana's quiet Vedado residential suburb. By 1952, the Cuban Federation of Labour went from the extreme left to the extreme right and became one of Batista's pillars of power. Right to the end it accepted the strongman's bonuses and handouts. Yet within 24 hours of the dictator's flight, it responded to Castro's call for a general strike, a plea incidentally which it had ignored only last November 3rd when Batista still controlled the big cities.

So powerful were the trade unions as a pro-Batista element, (perhaps even more so than the pampered Cuban Army), that most Cuban enterprises were built with the assistance of trade union loans. An outstanding example is the $7 million loan from the confectioners' unions of Havana made to Hilton for the construction of the fabulous Habana Hilton. The sugar workers' unions received over $15 millions in bonuses between 1954 and 1958. Nor could a worker be fired under the recent dictator's regime. Castro may find, as President Frondizi does in post-Peron Argentina, that the absent dictator still has lingering strength with the labor movement he pampered and paid off.

Equally troublesome to the messianic Castro will be the old, hardened, pre-Batista era political exiles, now all back home and headed by Carlos Prió Socarrás, the democratically-elected president who Batista overthrew in March, 1952. No lily-whiters themselves, and steeped in the spoils tradition of Cuban political life, they view public life as a money-making career. Men who subscribe to the cynical Cuban adage, "Cuba has two wealthy natural resources, politicians and sugar", they are already restive.

They too have spent money and risked their lives to fight against Batista. Prió Socarrás has spent perhaps $1 million of his private fortune in clandestine activities against Batista in Cuba and returned to Havana three days before Castro.

Finally, Castro must take instant measures to restore the flow of professional men and women into the increasingly diversified economy of his basically wealthy nation. This process stopped three years ago when Batista closed Cuba's three large state universities. Cuba's university professors who are living in exile, earning non-academic livings in Havana, were part of Castro's rebellion or have been exterminated by Batista's secret police. University classes can't be started overnight, nor broken careers and undergraduate studies easily commenced again after the excitement of the last few years.

In assessing Castro's longterm chances of creating his "clean Cuba", I am reminded of a famous story about Estrada de Palma, Cuba's first and very idealistic president. After assuming office he optimistically assured a close friend that he would make Cuba, "the Switzerland of the Americas." "It's a wonderful idea," said his friend in a typically humorous Cuban fashion, "but it won't work. Your problem of course is that in Cuba, the vital ingredient is lacking. Here there are no Swiss."

Barbados

CONTINUED FROM PAGE 14

of his grounds and mill.

Visitors to Barbados are a cosmopolitan group. They come from nearby Venezuela, Trinidad and Guiana, as well as from Puerto Rico, Nassau, Bermuda, the United States, and Canada.

After a few wonderful days of doing absolutely nothing, most vacationists begin to sample the broad range of outdoor sports and activities available. Fishing is excellent throughout the year, and sailboats may be rented (complete with skipper and tackle) for $20. per day or $12. for a half-day. The fee for motorboats is somewhat higher. Horse racing is held with three meetings a year on the famous Garrison Savannah.

The clear, blue-green waters surrounding Barbados make skin-diving and water skiing "naturals," with both pastimes growing more popular each year. For golfers, there is a nine-hole course at the Rockley Golf and Country Club, where all visitors may obtain membership. Green fees are $1.50 per day, and a caddy gets 50 cents for a nine-hole round. Unless you are permanently wedded to a particular set of clubs, don't bother to bring them, for they can be rented locally. The hotels have tennis courts, and various clubs offer grass surface play by arrangement with the hotel manager, if such is your preference.

Barbados affords a variety of hotels seldom found on so small an island. Visitors have a choice of luxury, first class or guest house accommodations either on or across the street from palm-fringed beaches. Most of the luxury hotels are located along the St. James coast on the west side of the island, where guests rally between lazy hours on the sand for dips in the lake-calm Caribbean. Even these luxury hotels stress *informal* summer wear (jackets and ties for men at dinner) as "fashionable attire!"

Most of Barbados' hotels are located in the Hastings-Worthing area, only a few miles from Bridgetown, the capital. Rates range from $6 to $16 per day per person, including three meals and excellent service (April to mid-December). Guests spend relaxed days sunning on beaches but a few steps from their rooms, or they make the short trip into Bridgetown for some browsing and shopping at the famous Broad Street stores.

For evening pleasure, dancing, steel band music, limbo performers and other native entertainment is offered at one or another of the hotels every night.

Annual Meeting of Shareholders

THE ROYAL BANK OF CANADA

James Muir urges more flexible tax system, with wider credit control to curb inflation

West can set example of "free economy in action" by keeping markets open to undeveloped countries.

"Chronic inflation is the greatest single threat to Canada's economic development", declared James Muir, Chairman and President of The Royal Bank of Canada, at the bank's Annual Meeting in Montreal on Thursday, January 8th. Reviewing the conditions which must be met to ensure continuing economic growth, high level employment and a stable currency, Mr. Muir said, "Regardless of the skill and energy of the monetary authorities, an effective monetary policy is impossible so long as consumer credit is free to move in the opposite direction. The Central Bank contracts credit in booms and expands in recession. Unregulated consumer credit expands in booms, contracts in recession.

FORMIDABLE TASK

"Until fundamental budget changes can be made the Government must finance its deficit by selling bonds to the general public, the chartered banks, or the Bank of Canada. The shift from bonds to equities, in spite of the relative attractiveness of bond yields, rules out the general public. The need for liquidity inhibits sales to the banks, except for the shorter maturities. Purchases of securities by the Bank of Canada, whether from the general public, the chartered banks, or in this case the Government, finances government debt through an increase in the money supply. Thus at a time when inflationary pressure is growing, the indicated policy for the Bank of Canada, monetary restraint, may run directly counter to the financial needs of the Government.

"But surely it is not beyond the wit of our fiscal experts to devise a system that will minimize the role of the business cycle in determining the size and nature of government sponsored economic activity. Surely a more flexible tax system could be devised which would adjust tax rates to counter cyclical disturbances, not only quickly and effectively but without arbitrarily changing the relative importance of the government sector in our economic life."

CONVERTIBILITY

Referring to Britain's recent move toward convertibility, Mr. Muir said:

"The immediate significance of Britain's move towards convertibility must not be exaggerated. All she has done is to make formal what has informally been more or less the case, viz, put Canadian and U.S. sterling, so-called, and Transferable sterling in the same bracket. This means that all non-sterling area holders of pounds are now in the same boat, which is to say they can freely dispose of their sterling for dollars or any other currency at the going rate within the support points established by the British authorities, viz $2.78 to $2.82 U.S.

"One important outcome is that London can deal freely and directly with all currencies and again get back to where she was before the war as the most important foreign exchange market in the world.

"The great hope is that these latest developments will hasten the day when the U.K. can throw all shackles overboard and make the pound free and fully convertible for everybody inside, as well as outside the sterling area.

FOREIGN AID

"Aid to underdeveloped countries", said Mr. Muir, "is useless unless it leads to sustained, and self-sustaining, development; and fundamental social changes in the underdeveloped country are required before the spirit of enterprise is sufficiently strong to achieve what we might call "escape velocity" independent of the temporary rocket-thrust of economic aid. Without fundamental changes, greatly expanded aid fanned by over-enthusiasm, may have perverse effects, not only in the inflation-ridden West, but in the under-developed countries themselves."

The big question, said Mr. Muir, was whether the "uncommitted" underdeveloped countries would try to develop a private enterprise economy as an instrument of growth. This depended, he said, "not merely on expanded economic aid but on the example set by the West, and by a *good* example I mean not merely that we set our own house in order but that we keep the economies of the West open to the goods produced by the underdeveloped countries."

RISK-TAKER MERITS REWARD

"Adequate reward for productive effort and risk is an important condition for economic development", said Mr. Muir. "Government, with the aid of tax experts, should make a thorough study of our complex tax structure with a view to improvement both in the distribution of the burdens and in the allocation of the net rewards for productive activity.

"If labour becomes more productive, higher wages can be paid without inflation. The increase is both an incentive and a deserved reward. If risks are taken to expand production in some direction, the opportunity for a correspondingly large reward is not only prerequisite, but justified to the extent of the risk-taker's contribution to general welfare.

"I would like to join those who are urging the Government in considering the report of the Borden Commission on Energy not to move hastily to put a public-utility strait-jacket on one of the most important contributors to Canada's risk-capital investment: the oil and gas industry—a risk industry that has been responsible in large measure for Canada's brilliant economic showing since the second world war."

ASSETS NOW OVER $4 BILLION

K. M. Sedgewick, General Manager, reported that Royal Bank assets had passed the $4 billion mark and that Capital funds now totalled nearly $250,000,000. "Deposit figures in Canada have of course, increased markedly," said Mr. Sedgewick, "and we are particularly pleased to see substantial growth during the year in our personal savings deposits where the figures are larger by $148 million odd than those of a year ago. As at date of the Balance Sheet, our depositors numbered 2,927,121, indeed a source of much satisfaction to us.

"During 1958 we opened 33 new branches in Canada and four outside Canada—three of which were in Cuba and one in Puerto Rico. We have completed major additions to our branches in Bridgetown, Barbados, Nassau, Bahamas and at a number of other points. Work is underway now on new main office buildings for Kingston, Jamaica and Ciudad Trujillo, Dominican Republic."

The recent appointment of a Far Eastern Representative, with headquarters in Hong Kong, said Mr. Sedgewick, had placed The Royal Bank of Canada in a position to provide on-the-spot assistance to foreign traders.

Bond Market

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and perhaps more significant criticism, is that the weakness in the long end of the Canadian market was a direct result of encouraged speculation. This, some dealers say, was the fundamental problem not touched by the Conversion loan.

Critics of the government's recent bond market operations also point to the recent "two-by-four" issue. This $400 million federal offering early last month split into three per cent one-year Canada bonds (offered at 99.25 to yield 3.77 per cent) and four per cent four-year bonds (at 98.75 to yield 4.34 per cent) has not been a resounding success. Although the one-year was reported most in demand, the current bid is only about 98.50.

There is evidence, then, that the government cannot operate successfully in either the short or long term market. At least not without potentially disastrous results to the money markets. It may well be that the government has simply reached the end of its ability to borrow. It certainly has reached—and passed—the end of its ability to borrow without competing with other, would-be borrowers.

The U.S. Federal Reserve Board, faced with a somewhat similar problem is thought to be studying a system to reorganze some medium and long term financing needs on a sort of extended treasury bill "roll over" basis. Some bond dealers think Canada may be forced to develop some such system herself.

There is little general agreement in the bond business on what particular course the government and Bank of Canada should follow. But there is a growing conviction that there must be changes. If there are not, the more pessimistic see steadily weakening prices, fewer offerings and shrinking markets.

Teachers

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in September, 1958: "The board of trustees reserves the right to grant a bonus for meritorious service to any deserving teacher, as the board may decide."

The clause is so general it might be interpreted in many ways, and leaves reason to doubt whether there is, indeed, a salary schedule in the district at all. So far, this clause has not been applied.

Another Saskatchewan school district, Foam Lake-Wynyard, has set up a joint trustee-teacher committee to study merit rating. Trustees claim that this indicates approval in principle by the teachers.

The plan being studied in Foam Lake-Wynyard may not be merit rating at all, since ultimate control is in the hands of teachers themselves. This, of course, may be the reason why they consented to study it.

Merit rating there would consist, according to the plan under consideration, of the opinion and recommendation of a teacher-trustee committee to the board and the teachers' federation local. The committee could recommend additional salary to a maximum of $500 per year for meritorious service. But the award would have to be approved by both the school board and the salary negotiating committee of the teachers' federation local.

The Saskatchewan School Trustees' Association say their views on the subject are summarized in an editorial in their magazine, *The School Trustee,* in October, 1958, entitled "A challenge to mediocrity".

It says: "Teachers' salary schedules that are based entirely on preparation and experience must be geared to what is more or less average ability. To gear such a schedule to excellent performance would be like putting an assortment of eggs into a basket and trying to sell them all as grade 'A' large. Because of our method of salary scheduling, and since the general level of salaries has reached such a degree of parity that substantial increases cannot be reasonably anticipated, we contend that the abler students who graduate from our high schools cannot look forward to a salary in teaching that is comparable to what they could get in many other occupations where exceptional competence is more generally recognized."

The Saskatchewan Teachers' Federation says its policy is to support the principle of the single salary schedule based on professional training and teaching experience. Before a system of merit rating can be successfully applied to salary determination there are many obstacles to overcome which at present make merit rating impracticable.

Some of these, STF says, are the threat of mis-use for political purposes by trustees, the impossibility of scientifically rating teachers and adverse effects upon the morale of teachers.

The STF study conducted by Mr. McDowell quotes from a survey made by the National Education Association in the U.S.:

"The sheer number of different items used in rating suggests that there is little agreement what good teaching is. One study of 85 check scales revealed there was a total of 1538 items on which teachers were to be rated . . . "

Another writer quoted said that items selected as criteria were "not objectively determined. Evidence also suggests that criteria selected by which to judge teaching are not susceptible yet of accurate quantitative measurement."

And another says: "This approach places the teacher at the mercy of the values of the person who is doing the rating. It may lead to 'apple polishing' and the worst sort of school policies in order to curry favor. Low morale among staff members because of real or fancied discrimination is a frequent concomitant."

Two U.S. cities which have tried merit rating over a period of many years are often referred to by both supporters and opponents of merit rating. They are West Hartford, Connecticut, and Ithaca, New York.

Ithaca, with 35,000 people, currently pays a teacher with a B.A. or B.Sc. plus teacher training from $4,200 to $6,000. Merit increases can bring this up to $7,000.

Teachers there are rated according to five main headings, each with many subheadings. The principal categories are teaching ability, classroom management, contribution of the teacher to the total school program, personal qualities of the teacher and the professional growth of the teacher.

Under the personal qualities of the teacher heading are the following subheadings, which are used by opponents of the system as examples of the impossibility of scientific rating:

"Ethical conduct, respect for the teaching profession, acceptance and use of suggestions, cheerfulness, loyalty, sense of humor, sincerity, courage, tact, judgment: fairness and proportion, sympathy and understanding, responsibility, resourcefulness and personal appearance."

The superintendent of West Hartford schools, Dr. Edmund H. Thorne, says there has been a distinct improvement in the morale and quality of work of the teachers selected for the "career salary plan" adopted there.

Under this plan, a teacher nominated by his principal, three fellow teachers or a committee appointed by the superintendent, is eligible for three salary steps of $500 each beyond the normal maximum for his group, if the committee approves the recommendation on the basis of a set of criteria put forth in writing by the board.

During the plan's first year in operation about 20 percent of those teachers eligible, that is, already at the top of the salary scale, received the extra $500.

Another feature of West Hartford's plan is accelerated increments for teachers who have not yet reached the maximum for their group, and no raise at all for unsatisfactory teachers.

Dr. Thorne says there is no apparent jealousy on the part of the staff members not chosen, and that "several have expressed joy that some of their colleagues were honored in this manner."

Some Canadian teachers asked to comment on the statement said they found this difficult to believe, to put it mildly.

Dr. Thorne says further that principals in his system report an improvement in staff spirit and that teachers are making

greater effort now to improve themselves.

Most important merit rating scheme to be attempted in Canada so far was begun this year in Cranbrook, BC, but, like those in Saskatchewan, the first ratings and awards have not been made yet.

Cranbrook is the largest of the districts to try merit rating, and the "Cranbrook experiment" may be the test case to decide the future of merit rating in Canada.

As in most schemes, there are a number of points on which teachers are judged and awarded marks. A total of 200 marks is possible, and the number received by a teacher is divided by two. If more than 80 are received the teacher is eligible for a salary above the regular scale, although specific amounts are not mentioned in the district's contracts.

Unsatisfactory teachers may have raises withheld, although this is a characteristic of a few British Columbia contracts, and has been for some time.

It is significant, perhaps, that of the total of 200 marks Cranbrook teachers are judged on, 120 are based on the inspectors' reports. The remaining 80 are based on school administrative efficiency, teacher-pupil relationships and participation in extra-curricular activities.

The BC Teachers' Federation says it is too early to assess results of the scheme, but does have this to say about the effects of salaries in attracting better qualified teachers:

"The average qualification in Creston, next door to Cranbrook, is much better than at Cranbrook. It so happens that the secondary schools in Cranbrook and Creston both have 34 teachers. Of Cranbrook's teachers, 41 percent are underqualified: of Creston's, 14 per cent."

The BC federation points out that Creston's salary schedule pays from $400 to $600 more than Cranbrook's for better qualified teachers.

The Manitoba Teachers' Society, which is next in line to face merit rating, has made policy statements recently which might indicate that they intend to direct the forthcoming discussions in a different direction than originally intended — towards tougher certification policies rather than merit rating after certification.

MTS says it is not opposed to the principle of merit rating, but suggests that it be done before the teacher is made a permanent staff member.

Rather than penalize mediocre teachers with poor pay, MTS says that there should be no poor teachers at all. If candidates for teachers' college were more carefully screened and graduates carefully rated during a two or three-year probationary period, during which they could be fired, there would be fewer poor teachers in the school system, and that this would achieve the aims that trustees want to achieve with merit rating without the adverse effects teachers fear from merit rating for salary purposes.

It might go further than that, some MTS members feel. If students of above average ability were sure that teaching was a profession that mediocre people could not enter, more of those now going into law and engineering might be attracted into teaching.

Unknown

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grant enabled him to make occasional trips to Washington and New York to study captured Nazi documents and U.S. State Department papers of the Munich era. It took more than a year to revise the thesis into book form and add the new material but by early 1958 the manuscript was ready. Celovsky's beautifully-bound book came out late last summer and the furore over it began immediately.

One reason why Celovsky's history touched off such controversy is that it sheds bad light on practically every participant, whether direct or indirect, in the fateful Munich conference. Hitler, of course, is blamed for whipping up and exaggerating the crisis over the German minority in Czechoslovakia's Sudetenland. (Celovsky's conclusion that the Czech atrocities alleged by the Nazis were phony has infuriated the erstwhile Sudeten refugees now living in Germany; they still revere Hitler as their liberator). Surprisingly, Czech Celovsky also attacks the popular Czech Hero, Eduard Benes for his role in the Munich crisis; Benes failed to give the Sudeten Germans the equal status that had been pledged to them in the Czech state, thus gave Hitler a factual base for his frenzied big lies about Czech persecution of the German minority.

Celovsky also berates Poland, particularly Polish Foreign Minister Josef Beck, for back-stabbing the Czechs in the vain hope of satiating Hitler's territorial ambitions and averting a Polish invasion. But the leading villain among the appeasers, in Celovsky's view, was Britain's Tory Prime Minister Neville Chamberlain who, he says, was persuaded by British industrialists that Hitler was a dedicated anti-Communist who should be encouraged and strengthened to attack the Soviet Union. Celovsky's history ascribes similarly devious motives to the Russians at the time of Munich, says they hoped to build up Hitler for all-out war on the West.

With documentary evidence — and this is what has infuriated the Communist reviewers of his history — he refutes the pious claims that the Reds always have made that they sincerely opposed the Munich appeasement and were prepared in 1938 to oppose Hitler in order to save Czechoslovakia. Celovsky quotes from a contemporary Pravda: "We are disinterested in this small capitalistic country." If war had come, he concludes, Russia might have sent a small Spanish Civil War-style Communist Brigade as a token gesture but would have contributed no really effective help toward saving his country.

Even the United States is not absolved from blame for the Munich diplomatic disaster. Celovsky contends that the U.S. absence from the fatal conference was prompted by no sagacity or sense of injustice. He quotes from diplomatic dispatches at the time to show that President Franklin Roosevelt wanted to organize the appeasement conference himself and was disappointed when Hitler's lackey, Mussolini, beat him to the punch by a matter of a few hours and was able to bask briefly in the role of peacemaker.

No matter who sponsored the conference, however, Celovsky thinks that its outcome would have been the same. The Western democracies were misled by Hitler's propaganda, were psychologically ready to appease him and considered a piece of Czechoslovakia a small price. Among other Western statesmen who were taken in by Hitler, Celovsky names Canada's Prime Minister Mackenzie King who visited the Nazi dictator in Germany in 1937 and came away with a completely false estimate of his strength and intentions. Contrary to King's impression and that of other Western observers, Hitler was insecure and ill-prepared at the time of Munich but gained tremendous prestige and power with his diplomatic triumph at the conference and the access it gave him to the Czech armaments industry. If the West had stood firm and called Hitler's bluff at Munich, Celovsky says, there would undoubtedly have been a war but it might have ended with the comparatively quick and easy overthrow of Hitler in Germany instead of the bloodbath of World War II.

In the free Czechoslovak press, Celovsky's book has been hailed as "THE achievement by a Czech since 1948" and as "the most important book by a Czech since the war." But in his adopted Canada, Celovsky's work has not only been ignored, but the man's proved talents as a historian and a scholar have been and are being completely wasted. His Bureau of Statistics job (compiling figures on secondary school populations) is obviously unchallenging. Celovsky, who now speaks and writes English fluently, applied for work in the Citizenship and Immigration Department, got a brushoff that he "lacked Canadian background" despite his master's degree in Canadian history and the knowledge acquired in his research on the Encyclopedia Canadiana. The External Affairs Department will not use his scholarship in Contemporary European history and diplomacy; they have a rule requiring ten years' residence in Canada.

Boris Celovsky hopes soon to make up more of the lack. He is now at work on a

history of the attempt by the British newspaper czar, Lord Rothermere to restore the Hungarian monarchy (with Rothermere as king) in the late 20's. Celovsky is also dickering with two publishers (one in the U.S., one in Britain) about bringing out an English-language edition of his Munich Pact history. These new volumes will not only lengthen the narrow bookshelf of Canadian historical works; Celovsky also has hopes that they may even earn him the accolade of a book review in the Canadian press.

Export Trade

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at low rates of interest with this object in sight to support the beneficiary countries as political units. The question that dogged the Liberals was should Canada try to compete with this kind of program? In view of their indecision, local makers of capital goods cast about elsewhere for an answer.

One solution was suggested by James Muir, president of The Royal Bank of Canada. He advocated a consortium of banks which might obtain its initial capital partly from the chartered banks and partly from insurance companies, possibly with some government participation. Mr. Muir anticipated that a revolving pool of funds could be generated from insurance companies and the general investor, through sales of debentures or foreign obligations.

In the opinion of Toronto-Dominion Bank president A. C. Ashforth, a government institution would be preferable. "A government owned, or controlled, export-import bank seems to me to be the most feasible way of meeting the situation, rather than forming a corporation with a divided ownership such as the Canadian government and the Canadian chartered banks. It would enable the government to elect a board of directors of its own choosing. The board would then always act independently and not be influenced by any one, or more, of the shareholders."

A point made by Mr. Ashforth, and one recognized by the CMA, is that much of our foreign business is in United States dollars. "The new corporation," says Ashforth, "would require access to the use of the government's pool of U.S. funds pending receipt of ultimate payment from the foreign buyer."

This was one of the reasons, the CMA told the government, that an unnamed proposed export finance institution under private auspices, in its opinion, would be unsuccessful. It apparently referred to a pamphlet put out by the Guardian Trust Company, Montreal, which contemplated a finance corporation modelled on the Export-Import Bank. One thing which no doubt sent the CMA hopping to Ottawa was mention of a contemplated capital of $10 million. They could only regard this as a drop in the bucket. The manufacturers put other objections to a private venture clearly:

—It is doubtful whether private capital can be mobilized in Canada in sufficient volume to meet the cumulative requirements of long-term financing for capital goods.

—There is some doubt whether the cost of attracting risk capital for this purpose would not preclude any private organization from offering without-resource financing at rates which would be competitive with those, for example, of the Export-Import Bank of Washington.

—The political factors inherent in this type of financing may in many instances be such that only government is capable of coping with them.

Manufacturers see fuller utilization of existing plant and skills following adequate credit facilities. The effect of increased exports on production costs too, they point out, cannot be ignored.

More export orders, says W. G. Miller, president, Montreal Locomotive Works Limited, Montreal, would tend to have two major effects on productions costs. "Firstly, the increased rate of production needed to produce the export orders in addition to existing domestic business would, by spreading fixed costs over a larger number of units, tend to reduce costs. Secondly, a reasonable volume of locomotive export orders would continue to keep our costs competitive after domestic demand is reduced following completion of the Canadian railways dieselization programs."

Most-mentioned gain from early action on this matter is that it could substantially ease unemployment. Opinion of makers of heavy capital goods from turbines to pulp and paper machinery followed closely the comment of J. H. Smith, president, Canadian General Electric Company Limited: "I think it would make a significant contribution."

Pointed out Montreal Locomotive president Miller: "An export order for 25 diesel locomotives valued between five and six million dollars could generate over one million man hours of Canadian labor, which is the equivalent of 2,000 men working for three months. These men would not be employed solely at Montreal Locomotive Works, but in many factories in Canada which supply us with material, parts, etc. It is difficult to state the total export market that would open to us if competitive financing arrangements became available but it is estimated that there are over 150,000 steam locomotives operating outside North America which have not yet been replaced by diesels."

"Although our locomotives are competitive both in quality and price," says Miller, "we have found it impossible to secure orders when our potential customers have been able to obtain better financing terms elsewhere."

What does organized labor think of the effect of inadequate export finance on the employment picture? In a telephone interview, Canadian Labour Congress president Claude Jodoin said: "A drop in our exports means inevitably an increase in unemployment and if we cannot meet the credit terms required by foreign customers we may run the serious risk of losing foreign markets."

Jodoin made it clear he felt government consideration of setting up some kind of export financing organization was justified.

Mr. Kennedy

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course, that he can't do it because any direct quotation would show that the article was not a defence of Hoffa at all, but an attack on Mr. Kennedy and the chairman of his committee. He is doing his best to make it appear that it was a defence of Hoffa, because he would much rather slander your correspondent than deal with the point at issue.

What the article said, and your correspondent is glad of the chance to repeat it, is that James Hoffa is a man and that he has the legal rights which belong —as of right and not as matters of privilege or reward for good conduct — to every citizen. Mr. Kennedy may be quite right about Mr. Hoffa, who may be an unspeakably wicked man. He may even be much wickeder than Mr. Kennedy imagines. His degree of wickedness is, however, absolutely irrelevant. The point is that the law either protects everyone or it does not protect, and that if a pretext for denying one man due process, however loathsome he be, is accepted, no one is safe. When Mr. Kennedy in his enthusiasm for the liberation of the rank and file in the Teamsters Union from the yoke of Mr. Hoffa's leadership, devises ways to deprive him of his rights under the common law, he damages the foundation of the liberties and freedoms of all men. Mr. Kennedy prefers not to discuss this question, understandably enough, and concentrates on Mr. Hoffa's desperate wickedness and on your correspondent's appalling ignorance. He is to be quoted at some length this time.

"But writing for a magazine is not equivalent to a license to misstate facts, twist, and distort. He spoke about me and what he called my two main methods of procedure—the first being that of reading back to witnesses in public session the statements they had made previously to the committee in private executive session, in a slightly altered form. At best,

his can be attributed to Mr. West's complete ignorance of the committee's procedure; at worst, it is a deliberate distorting of the truth, because what Mr. West described simply never happened".

The process to which your correspondent referred and to which Mr. Kennedy knows very well he referred, runs as follows: a witness in private executive session delivers himself of a statement running in part something like this, to take an imaginary example:

"I went into the cocktail lounge on the main floor. When I went in, this man came forward to meet me. We said 'Hello' and sat down at one of the tables, in a sort of booth. He pushed this envelope over to me. I said 'What's that'? He said 'You have it coming to you'. I said, 'I don't want that'. He said 'Oh! sure you do'. He pushed it into my side pocket. We had a couple of drinks. I tried to give it back to him before I left, but he wouldn't take it. When I got home I opened it up. There were three thousand dollars in it, etc."

Mr. Kennedy presents this in public session in what I think I am right in calling a slightly altered form.

"Kennedy: You met this man again didn't you, in the cocktail lounge of the hotel?

Witness: I did.

Kennedy: Did he give you any money on that occasion?

Witness: He did.

Kennedy: How much money did he give you?

Witness: Three thousand dollars."

It is worth noticing that Mr. Kennedy has made his point of objection here, on a secondary matter which evades the real issue. He may pretend that this is not his procedure and that such things never have happened. Your correspondent has heard it done, and by Mr. Kennedy, with his own ears. He has a vivid memory of an occasion when the method broke down. A witness who had reconsidered his willingness to talk between morning and afternoon, abruptly claimed not to remember what had taken place on some crucial occasion and Mr. Kennedy rebuked him.

"Why, you were telling us all about it in executive session this morning—that's only a couple of hours ago. What's made you forget about it all of a sudden?"

The real point is not, however, how it is done, but the use which is made of it. The witness in the example of imaginary examinations given above, will not be cross-examined by counsel after Mr. Kennedy has done with him, and there will be no further real test of his story or his credibility. Mr. Kennedy will take the telling of the story for its proof, and he will presently be quoting this incident as an established fact.

"You've heard how he paid over three thousand dollars of union money in the cocktail lounge of the hotel".

Your readers will have noticed perhaps, that Mr. Kennedy has been remarkably unlucky in getting indictments, and still more unlucky in getting convictions, out of his committee's findings. His facts, so carefully nourished and cherished, tend to wilt when exposed to a courtroom atmosphere, just as the witnesses who produce them tend to fade under cross-examination by defending counsel. It is not surprising that his cases should be weak when it is remembered how they have been cossetted. Mr. Kennedy's ideas of an adequate test for a witness, are not very demanding. In the course of showing up your correspondent's gross ignorance of his committee's procedure, he says that witnesses who appear before it are indeed exposed to the risk of cross-examination. "The subject of a hearing can even send questions to the chairman to have propounded to a witness he feels is testifying adversely to his interest". That takes care of that—or does it quite?

Having admitted, in the form of a denial, your correspondent's contention on this question, Mr. Kennedy goes on to some very thin ice. "Mr. West then stated that for adverse witnesses, I follow a procedure of reading great masses of hearsay, slander, and malicious information". Mr. Kennedy cannot deny this and does not do so. He waffles for a while and then gets round the point by writing this: "If what Mr. West claims is in fact, the procedure that I have followed, why, would you please tell me, has it not been pointed out in news columns or the editorial pages of such highly respected newspapers as *The New York Times* (a list of newspapers follows) which have had representatives continuously at our hearings"? The answer is that the press has repeatedly shown Mr. Kennedy following this procedure, and that your correspondent's attention was first drawn to the nature of his practice by *The New York Times*. A particularly flagrant example, and actual one, not an imaginary one this time, ran as follows:

"Kennedy: You have a statue of the Virgin Mary in your home do you not?

Witness: I decline to answer on the ground that it might tend to incriminate me.

Kennedy: You keep two revolvers, two pistols, in a wall closet behind that statue don't you?

Witness: (after a moment in which he fought for self-control). I decline to answer on the ground that it might tend to incriminate me".

It is not necessary to labor the point of what is happening in this kind of examination of a witness. Mr. Kennedy is simply reading at the witness, into the record, statements by unknown informants who cannot be examined as to their motives or credibility. In the above example, Mr. Kennedy has made the witness's practice of keeping weapons in a wall closet behind a statue of The Virgin, a matter of record without in fact, producing one scrap of evidence that either the weapons or the statue exist. Every newspaper Mr. Kennedy mentions has at one time or another quoted verbatim, extracts from the committee's proceedings, illustrating this process of fact-manufacture.

Your correspondent will conclude with a brief literary note on the Elizabethan meaning of the word honest. Shakespeare will do:

"Othello: Certain, men should be what they seem.

Iago: Why then, I think that Cassio's an honest man".

The meaning is straightforward, frank, and not dissembling. The word held this meaning through to the time of *The Beggars Opera*, in which the highwayman MacHeath remarks of another professional thief that "He's a good honest kind of fellow, and one of us". He made no pretensions to be anything other than what he was.

Your correspondent believes the same thing to be true of Mr. Hoffa. As the article Mr. Kennedy complains of made quite clear, Mr. Hoffa knows he plays dirty pool and makes no pretence to play anything else. What he does, he thinks everybody else does, since all life is a tough struggle, and you have to be tough to stay on top of the heap where everybody wants to be. He is disgusted by Senator McClellan because the Senator, coming from a state which defrauds a third of its citizens of their civil rights and holds them in economic subjection, tries to read him moral lectures on his conduct of the Teamsters Union. Mr. Kennedy took a small gamble on the probability that the readers of SATURDAY NIGHT had not learned your correspondent's article by heart, and he transformed this description of Mr. Hoffa's state of mind and opinion of Senator McClellan into a defence of Mr. Hoffa, which he proceeded to demolish.

Well, as your correspondent has said before, this sort of trickery and disregard for the truth is what may be expected of Mr. Kennedy. It is not to be expected from a lawyer with any sense of the ethics of his profession, or from a man in the responsible position of chief counsel to a Senate committee. The combination of contempt for the truth, contempt for legal processes, and temperamental instability, shown as clearly in his letter as in his conduct of his office, suggest that your correspondent was right in arguing that Mr. Kennedy, like Mr. Hoffa, is the wrong man in the wrong place.

ANSWER TO PUZZLER

TROUT is 78507.

The Lively Arts

by Mary Lowrey Ross

Daytime on Television

THE CLAIM "I never watch TV in the daytime" is so universal that one wonders how the daytime programs and their sponsors manage to survive. Yet the living-room screen is never empty from 6.30 a.m. on, and the sponsor continues to distribute free automatic driers and polaroid cameras like confetti across America. So *somebody* must be watching.

Recently I spent a couple of days, morning and afternoons, watching daytime television. It turned out to be a fairly shattering experience. At first glance the daytime content seemed to be nothing more than a continuous rummage sale displaying the general detritus of film entertainment — handmedown Hollywood films, discarded conversation pieces, secondgrade Godfrey, cut-rate quizzes, and, of course, soap opera. It must be admitted that at second, or even third glance, it didn't look much better. But it did make a fascinating study in current prodigality.

Most non-daytime television watchers think of daytime programs strictly in terms of soap opera. This is a miscalculation. Soap opera is still one of television's steadier markets — necessarily, since it has now reached a crystallized, almost classic form, with fixed conventions and mores that no one wants altered. It has a devoted following, it doesn't involve gift-distribution, it just rolls on monotonously, gratifyingly and endlessly, so it's no wonder the sponsors love it. But it doesn't dominate the air which has now been taken over by quiz-shows.

In daytime TV, "quiz" is strictly a courtesy title. The daylight quiz master isn't interested in turning up prodigies, he is concerned only with emptying his sponsor's cornucopia over his contestant's dazed head . . . "Now which of you ladies can give me the family name of Romeo or Juliet?" he asked a panel of housewives in one program. There was a moment of blankness then someone came up quaveringly with "Capuett?" "Good *enough*!" the quiz master shouted and awarded her the prize. It wasn't good enough for $64,000, but it was good enough for a bottle of My Sin, and loud cheers from the audience.

They weren't cheering the contestant's display of scholarship, they were simply cheering out of the intoxication of *gemutlichkeit* which these programs induce. The quiz-master sets the tone. He is everywhere at once, filling the stage with the stereophonic sound of his own voice. He praises the contestant, the show, the product, the giveaway. If the program happens to be "It Could Be You", he drags the contestant from the audience, and fills her in with details of her private life, obligingly supplied by relatives, and accompanied by snapshots which are, as a rule, screamingly unflattering. Then when the victim is about to collapse from rapture and embarrassment he shouts, "Now I happen to know that you've been getting along on a second-hand ice-box for fifteen years," and flings open the door on a gleaming new sarcophagus-refrigerator. Or he sweeps aside a curtain and there is a long-lost relative brought to her by air, courtesy of the studio, from the ends of the earth. The contestant by this time is in happy tears and so is the audience, but the quiz-master is already somewhere else, setting things up for a new victim . . . "Recognize yourself in this 1927 bathing-suit?" . . .

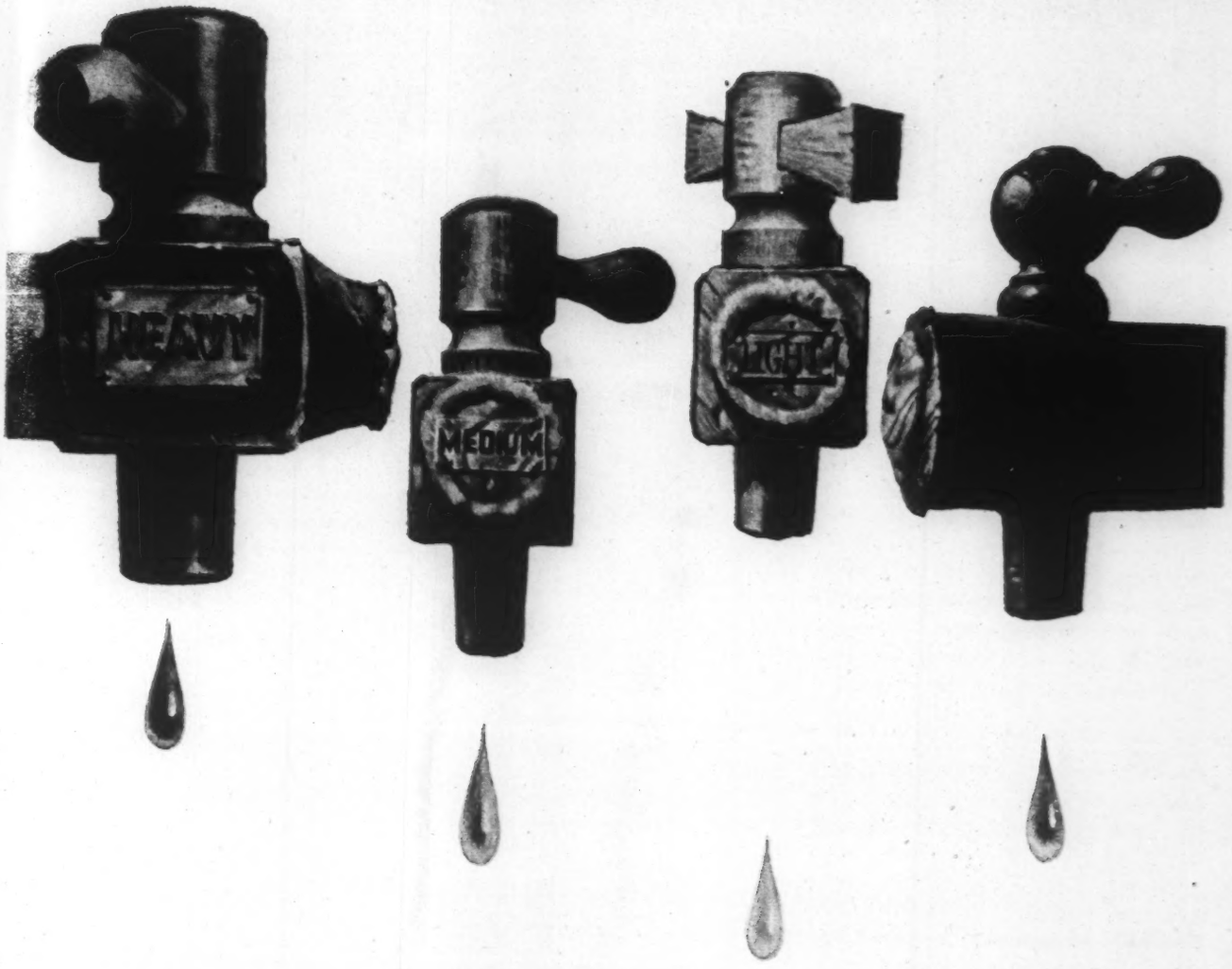
While there are quieter daytime interludes for the discussion of cooking, ceramics and the care of potted plants, the general tempo continues to rise. It reaches a climax of hysteria in "Queen for a Day".

The Queen for a Day may be anyone who cares to apply for the role. The only required endowment is a burning need—for a tractor, a wheel-chair, or just a chance of escape from a dull afflicted life. Four contestants are selected and lined up on the platform, rather like applicants at the pool of Bethesda, waiting for the miracle. The Master of Ceremonies goes to work on them with shattering tenderness . . . "So you lost a leg in an accident?" "So you want to be able to take your little boy—retarded did you say?—to a special school?" "So your husband disappeared last July leaving you with four small kiddies? . . ."

Eventually the Queen is selected, by decided count from the audience. A door is opened somewhere and the flood of awards sweeps in—A deep-freeze unit, a hi-fi set, a radio clock, a new car, a year's free supply of gasoline, a year's free supply of weekly beauty treatments, a special taxicab account, a free complete wardrobe, including a mink coat, a free set of matched luggage, a free trip to Paris or Bermuda, and—oh yes—a free glass coffee-maker. The contestant is beside herself, the master of ceremonies is beside himself, and everything else is crowded out, including the mother of four who wanted her husband back and the contestant who merely asked for a new wooden leg.

Which is the exploiter and which the exploited? The living-room screen, after all, is a view-window on the swarming prodigal life of America and with a bit of luck you might get on the right side of the window and set the stream of gadgets, daydreams and lost relatives flowing in your direction. All you are asked to sacrifice is a little quite valueless private life.

"Queen for a Day" MC and models: "Which is the exploiter?"



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